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UKRAINE

REPORT ON OBLENERGO COST ALLOCATION

Prepared for:

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I. INTRODUCTION

This report presents the results of a cost allocation designed to provide a basis for the establishment of the oblenergos' initial average Low Voltage Network Operator (LVNO) prices and Local Electric Supply (LES) fees.

There are three attachments to this report:

- Attachment A contains schedules for each oblenergo and for the oblenergos in aggregate for the months of July and August. For each month, there are three schedules: the first schedule shows cost data we received from Minenergo; the second schedule shows our cost allocation; and the third schedule is a reconciliation between the first and second schedules.
- Attachment B contains summary statistics from the Minenergo data and our cost allocations.
- Attachment C is a line-by-line explanation of our cost allocation methodology.

II. COST ALLOCATION

The underlying industry cost data that we used are for July and August 1995, as provided to us by Minenergo. We believe that the aggregate costs provided to us by Minenergo are relatively accurate, but are not as sanguine about the allocation of costs to individual oblenergos. In order to allocate costs to the various enterprises, Minenergo necessarily was forced to make a number of arbitrary judgments that will only roughly approximate reality.[1] Moreover, Ukraine has not yet fully adopted accounting conventions appropriate to regulatory cost allocation. For example, Ukraine uses a cash accounting system rather than accrual accounting. Finally, these are just two summer months' data for a country with a pronounced seasonality of load.

The guiding philosophy underlying our cost allocation is that the prices of power from Energomarket, self generation, LVNO services and LES services are unbundled from each other, and depend solely on the costs of providing the individual services, including a reasonable profit. Thus, for example, an increase in the price of power from Energomarket has no effect on the price of LVNO services, except to the limited extent that the LVNO function uses power as an input. Similarly, an increase in the cost of providing LVNO services has no effect on the cost of purchasing power from Energomarket.

[1] A good illustration of this point is that the data showed each and every oblenergo paying exactly double the labor costs in August that it paid in July.

LES and LVNO Allocations

The oblenergo's electric costs other than purchased power consist entirely of the costs of the generation, LVNO and LES functions.[2] Subtracting generation costs from total non-purchased power costs yields the sum of LVNO and LES costs. We have split the combined LVNO and LES costs into their separate LVNO and LES components by assuming that 10% of these costs are LES costs. (The allocation of costs to the generation function is discussed below.)

For each month, we have set the combined profit from the three oblenergo electric functions for the oblenergos in aggregate equal to the aggregate profit reported by Minenergo. We then assumed that all oblenergos earn the same percentage profit rate on their LES revenues (excluding power purchases and the gross receipts tax) as on their LVNO revenues, and calculated the profit per unit of revenue necessary for the reported and calculated aggregate profit levels to be equal. The rate of profit that equalizes the aggregate reported and calculated profits is 27.5% for July and 24.7% for August. It would be preferable to estimate a reasonable profit for each oblenergo on some other basis, such as return on capital, but the required data are either unavailable or, as in the case of invested capital, meaningless in Ukraine today.

We have not assumed any working capital funds for LES purchases of energy from Energomarket. This carrying charge would not affect the LVNO price or the other part of the LES fee. If it is deemed applicable, it can be calculated at the time the LES purchases power from Energomarket.

Generation Allocation

All fuel costs are allocated to generation. Because fuel costs are reported on a cash accounting basis rather than an accrual basis, the apparent relationship between fuel costs and production can be misleading. For example, in July Dnipro incurred fuel costs yet generated no power, while Khmelnytsky generated power yet incurred no fuel costs. Moreover, it is our understanding that sometimes — not always — fuel costs include fuel for non-power generation activities such as gasoline for vehicles.

We assumed that heat production costs have been correctly allocated, so that no heat production costs are included in the electric cost data we received from Minenergo and that, conversely, no electric service costs have been allocated to heat production.

We used average non-fuel manufacturing (operating) costs incurred by the four gencos and the two hydroelectric companies to calculate oblenergo non-fuel manufacturing costs incurred with

[2] These costs are the oblenergo's manufacturing (operating) costs less "spending for services not included in total product" plus "payments for exhausts within limits."

respect to their fossil and hydroelectric facilities. In July and August these average non-fuel manufacturing costs were (in Kbv/kWh):

	July	August
Fossil	249.9	263.2
Hydro	204.9	252.9

Thus, for example, in July an oblenergo with 2 MWh of fossil and 1 MWh of hydroelectric production would have 704,700 m. Kbv (= 249.9*2*1,000 + 204.9*1*1,000) of manufacturing costs allocated to generation. These calculated costs are subtracted from the total non-fuel manufacturing costs for each oblenergo. The remaining costs are allocated between the LVNO and LES functions (as described above).

The generating costs incurred by the oblenergos vary considerably. Some oblenergos, most notably Kiev City, seem to incur lower average costs than the gencos, and under our allocation scheme earn high profits from their generation business. In many cases, this is undoubtedly because the oblenergos operate combined heat and power plants with lower operating costs than the gencos' plants. Other oblenergos make low or even negative profits on their generation. We have no other data to allow us to estimate the appropriate allocation of generation costs. If the data were available, alternative cost allocations could take several different forms. The cost allocation could reflect the costs that typically are incurred by the specific type of plant owned by the oblenergo, the average cost of all or a subset (say, all fossil plants, fossil peakers or fossil base load) of generating plants currently in operation in Ukraine, or some variant of the market price for plants with that plant's generation profile. For those oblenergos with substantial generation, it will be essential to perform with care whatever cost allocation methodology is chosen. It is essential to remember, however, that this allocation will be made strictly to establish prices for the regulated LES and LVNO functions, and not to set prices or profits for the generation function.

Pool Prices

We assumed that the oblenergos' power generation facilities (either directly from Energomarket or indirectly via the regulatory cost allocation process), including both their fossil and their hydro facilities, will receive the average price received by the gencos (4,014 Kbv/kWh in July and 4,463 Kbv/kWh in August). There are several possible problems with these assumptions. First, owing to differing time profiles of generation, no two generating facilities will receive the same average price over the course of a month. Second, the operation of the pool may differ in material respects from the operations of the NDC, thereby yielding different average prices for the gencos. Third, inclusion of the oblenergo's generation facilities in the pool may change the aggregate average pool price.

Similarly, we assumed that the oblenergos will all pay the same average pool sales price for energy purchased from Energomarket. This pool price was assumed to equal the July and August NDC prices of 4,035 and 4,556 Kbv/kWh, respectively. Again, this assumption violates reality. The oblenergos will have different time patterns of consumption, and thereby pay different average prices.

That said, the prices paid in July and August by oblenergos for energy supplied by the NDC already varied widely but in ways that the operation of the pool will probably not duplicate. Indeed, the pool may even work in the opposite direction from the NDC prices. We have been told the variation in average NDC price depends in part on the relative profitability of the oblenergo. The fact that none of the oblenergos had a negative profit after tax renders this reported NDC pricing methodology extremely plausible. Since residential customers pay prices that are below the cost of providing them service, the current NDC price allocation is a method of subsidizing oblenergos with relatively high residential loads. There is a negative correlation (equal to -0.31) between the households as a percentage of load and the NDC price charged to the oblenergo. Once the transition to market prices begins, oblenergos with relatively flat consumption profiles (due to, for example, large industrial loads) will pay lower average prices to the pool than oblenergos with relatively high peak period takes.[3]

Reconciliation

The reconciliation between the reported costs and revenues and our calculated values contains three primary types of changes in cost.[4] The first type of cost change consists of changes in power purchase prices:

- NDC did not charge oblenergos in the aggregate its average overall price.[5] NDC also charged different prices to different oblenergos. Since our calculation assumes that all purchasers pay Energomarket the same price, and sets the price equal to the average NDC price, the NDC/Energomarket price changes both for oblenergos in the aggregate and for individual oblenergos.

[3] Reportedly the costs allocated to the oblenergos also varied according to their relative profitability.

[4] The gross receipts tax collections also change, but this change depends entirely on the other three classes of changes

[5] The average prices charged by NDC overall and to the oblenergos were (in Kbv/kWh):

	July	August
Overall	3,990	4,556
Oblenergos	4,035	4,535

- Oblenergos paid extremely low prices for purchases from block stations.[6] As our calculation assumes that block station purchases are made at the Energomarket pool sales price, the average price paid for block station power rises.

Neither of these cost changes affects the LVNO and LES prices, which are unbundled from the cost of power.

The second category of cost changes consists of Energomarket charges for self generation, a charge not incurred by the oblenergos in the existing system. Apparently, under the existing system NDC does not charge the oblenergos any transmission or administrative costs for their self-generated power. Under Energomarket, by contrast, the oblenergo will sell power generated by its stations over 20 MW to Energomarket at the pool purchase price and then buy back the power at the pool sales price. Its plants under 20 MW will also receive the pool purchase price, but will not be obligated to sell power to Energomarket, so presumably the oblenergo's LES division will not have to pay Energomarket for any pool services connected with their output. The oblenergo may have to pay NEC to transmit the power generated by its below 20 MW stations. Since we do not have any data differentiating power output between the oblenergos' generating stations, we assumed that all oblenergo output is from plants sized over 20 MW. Thus, the revenue impact equals the quantity of self generation times the difference between the pool sales price and the pool purchase price. In any event, the revenue impact is minimal.

The third type of cost change is changes in profit. This change affects individual oblenergos but has no impact on oblenergos in the aggregate under our assumption of unchanged aggregate profit. We do not know what system Minenergo used to allocate profit, but by necessity it differed from our method.

With these exceptions, our analysis is limited to the allocation of existing costs in order to set prices; and the prices of the various services are unbundled. As a consequence, the changes in purchase power costs have no effect on our calculated LVNO and LES prices. The gap between the price received from Energomarket for self generation sales and the price paid to Energomarket for the repurchase of that power affects LVNO and LES prices in our analysis to the limited extent that it affects total profit and thereby the rate of profit on LVNO and LES revenues necessary to equalize reported and calculated profits. The reallocation of profit from one oblenergo to another does not change the overall average LVNO and LES prices, but does change the prices of individual oblenergos.

[6] The average price appears to have been 538 Kbv/kWh in July. We do not have any data for block station purchases in August, and therefore cannot calculate a price. To establish an August price, we assumed that the oblenergos bought the same quantity of energy in August as in July, and divided the cost of those purchases by that quantity. The resultant price was 1,043 Kbv/kWh.

III. CONCLUSION

The oblenergos are heterogeneous. They vary most importantly along the dimensions of size, customer mix, proportions of self-generation, purchases from block stations and purchases from Energomarket, and relative size of associated heat business. They also vary substantially in the costs per unit of their LVNO, LES and generation businesses.

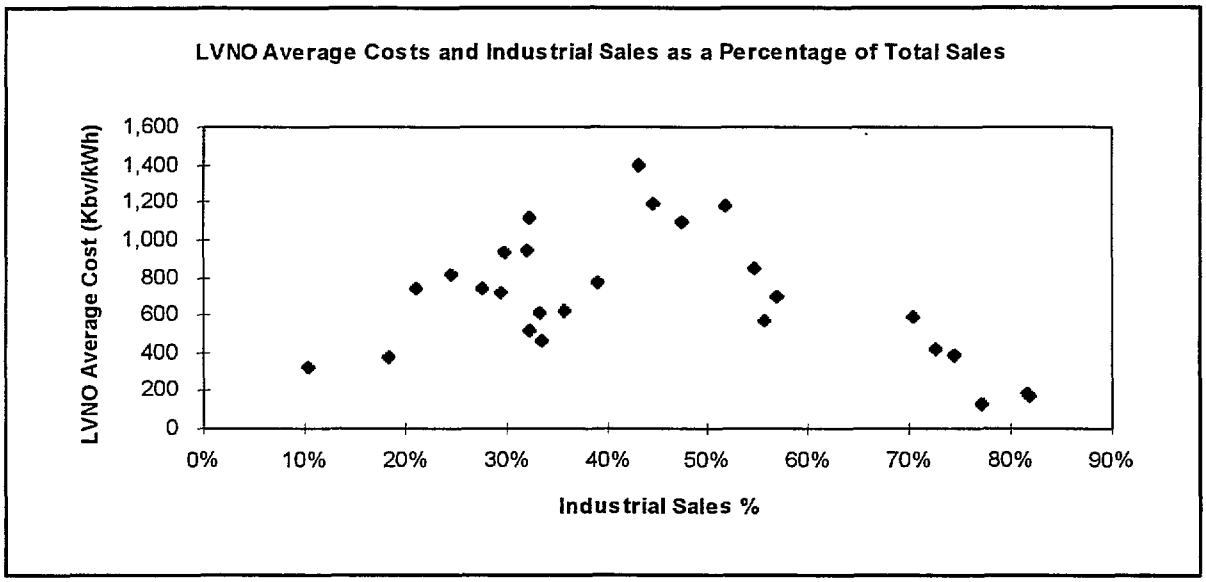
Changes in LVNO and LES profit rates have little effect on customer prices. LVNO and LES costs in total comprise equals a mere 9-to-10 percent of total electric sector costs. Increasing the rate of profit on these revenues by 1 percent (from, say, 10 percent to 11 percent) would increase customer price by a mere 1/10th of one percent.[7] By contrast, increasing the Energomarket price by 1 percent would increase the customer price by nearly 1 percent.

The unweighted average prices charged by the oblenergos rise far more than the weighted average prices. This disparity arises because the three largest oblenergos, Dnipro, Donetsk and Lugansk, which together made 45% and 44% of all Ukraine's sales in kWh in July and August respectively, see their prices decline.[8] This is mainly because in July and August they paid high average prices to Energomarket, while under our assumptions they pay the same average price as all other oblenergos. (In operation, with their high industrial proportions, their average prices paid to Energomarket will be lower than the national average -- to the extent they continue to sell power to the local industrial customers.) While only one other oblenergo in July and five others in August of the other 24 oblenergos see their prices decline, the combined effect of these three oblenergos' price decreases is dramatic enough to offset the other oblenergos' price rises.

The prices charged for the oblenergos' LES and LVNO services vary considerably, ranging in July from 12 to 51 Kbv/kWh for LES services and from 124 to 1,399 Kbv/kWh for LVNO services. This variation can be explained in large part by differences in industrial sales percentages. There is a negative correlation (equal to negative 0.35) between average LVNO cost and oblenergo industrial sales percentage, as illustrated by the following graph.

[7] To the extent that, as seems likely, hourly metered customers generally are better able to avoid LES than LVNO payments, conservatism argues for increasing the LVNO profit rate and decreasing the LES profit rate; and vice versa if they are better able to avoid the LVNO fee.

[8] These three oblenergos also have the highest proportions of industrial customers, and as a consequence have the three lowest average LES/LVNO costs in the country. They are the three diamonds in the lower right hand corner of the graph (two of the diamonds are extremely close together and upon casual inspection look like only one diamond).



Note that the correlation is not perfect, and indeed average LVNO costs tend to increase with the percentage of industrial customers until the percentage reaches about the 40 percent level.

The profits per kWh earned by the oblenergos in their combined LES/LVNO businesses fall within a relatively narrow range. Under our method of assigning profits, with the exception of land payments by the LVNO function the LVNO and LES profits per kWh depend entirely upon average costs per kWh. As a consequence, profits vary closely with variations in average cost. All LVNO and LES (and all total oblenergo) profits are positive. Low cost LVNO operations make low average profits. Similarly, since oblenergo operating costs are assigned on a 90/10 basis between the LVNO and LES functions, LES profits per kWh vary directly with operating costs, and relatively high profits per kWh are earned by LES operations in high cost oblenergos.

Indicated generation profits are far more variable than LES and LVNO profits. Since generation prices are to be established by the pool, and the costs incurred by the generating stations will not be regulated, our cost allocation does not provide any particular profit level for the oblenergos' generating activities. The results of our analysis may not be indicative of actual generation.

Oblenergo Financial Results (as provided by Minenergo), July 1995

Vinnytsiaenergo

		Units	ACTUAL DATA				
			Khmelnytsky Oblenergo	Ternopil Oblenergo	Chernivtsi Oblenergo	Vinnytsia Oblenergo	
	1	2	3 2.	3 3	3 4	3 5.	TOTAL
1	Production of electrical energy	m kWh	0.28	1.00		3.20	4 48
2	Energy supply from buses	m kWh	0.28	0.99	-0 15	2 92	4 04
3	Useful supply of electric energy	m kWh	169.00	97.00	69 96	206.70	542 66
4	Useful supply to internal consumers	m kWh	169.00	97 00	69 96	206 70	542 66
5	Manufacturing cost						
	Services of production character	m. Kbv	161	1400	100	1465	3126
	Additional materials and raw materials	m. Kbv	5338	7800	1500	5705	20343
	Fuel from external sources	m. Kbv				685	685
	Energy from external sources	m. Kbv	3419	440	400	5281	9540
	Labor costs	m. Kbv	21101	15246	11161	30103	77611
	Payments to social security fund	m. Kbv.	7807	5641	4130	11138	28716
	Payments to employment fund	m Kbv.	422	305	223	602	1552
	Payments to Chernobyl fund	m. Kbv.	2532	1830	1339	3612	9313
	Depreciation for complete	m. Kbv	6705	4450	15643	9781	36579
	Spendings for repairs	m. Kbv	6292	3100	5792	6711	21895
	Other payments	m. Kbv.	3812	7249	2751	79242	93054
	credit interest included	m Kbv.	0	0	0	60265	60265
	Total production costs	m Kbv.	57589	47460	43039	154325	302414
	Spending for services not included in total product	m Kbv	0	0	0	50	50
	Bought energy - total	m Kbv	658132	335809	237448	762510	1993899
	Manufacturing costs of total commercial product	m Kbv	715721	383269	280487	916785	2296263
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m Kbv	23817	12862	9325	30409	76413
	Payments for development of wind energy production (0.5% of total sales)	m Kbv	0	0	0	0	0
	Payments for exhausts within limits	m Kbv	0	0	1	0	1
	Manufacturing cost of commercial product	m Kbv	739538	396131	289813	947195	2372677
7	Tax benefits - total	m. Kbv	0	0	0	0	0
8	Capital investments	m Kbv	26705	22950	24643	31781	106079
8 1	Depreciation	m Kbv	6705	4450	15643	9781	36579
8 2	From income	m Kbv	20000	18500	9000	22000	69500
8 3	From income for rural power networks	m. Kbv	0	0	0	0	0
9	Current spending from income (without capital investment)	m. Kbv.	0	0	0	0	0
	including	m Kbv					
	- funds directed for production development	m Kbv					
	- social funds	m Kbv					
	- payments to centralized funds	m. Kbv.					
	- increases in turnover funds	m Kbv.					
	- remuneration funds	m Kbv					
	- other purposes	m Kbv.					
10	Income	m Kbv	2821	3281	556	728	7386
11	Balance income	m Kbv	0	0	0	0	0
12	Payments for land	m Kbv	490	780	560	1440	3270
13	Income tax	m Kbv	1419	1741	478	929	4567
14	Exports	m Kbv	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	744268	401933	291407	950292	2387900
16	Income from electric energy [Profit before tax & land payment]	m Kbv	4730	5802	1594	3097	15223
17	Energy supply to internal consumers	m Kbv	744268	401933	291407	950292	2387900
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	4404	4144	4165	4597	4400
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh					
20	Profitability of electric energy	%	0 66%	1 51%	0 57%	0 34%	0 66%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4376	4084	4143	4582	4372
	FOR INFORMATION						
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	3573	3292	3078	3317	3361
	ENERGY TARIFF APPROVED	Kbv./kWh	3570	3290	3080	3320	3360
	AVERAGE PRICE						
	Energy from block stations	m Kbv	0	0	0	0	0
	Energy bought from National Dispatch Center	m Kbv	658132	335809	237448	762510	1993899
	Energy bought from National Dispatch Center	m kWh	184	102	77	230	593
	Profitability	%	-2.13%	-3.31%	-2.64%	-2.06%	-2 36%
	Index of tariff increase for electric energy						
	Constant spending for kilowatt hour	Kbv./kWh	482	622	749	890	697
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	657665	335613	237622	763268	1993421

Oblenergo Income Statement (July 1995)

Vinnytsiaenergo

		Units	WHOLESALE MARKET COST ALLOCATION				
			Khmelnytsky Oblenergo	Ternopil OEEN	Chernivtsi OEEN	Vinnytsia Oblenergo	
	1	2	3 1	3.2	3 3	3 4	TOTAL
1	Total oblenergo operating costs	m Kbv.	57589	47460	43040	154275	302365
	GENERATION FUNCTION						
	Allocation of generation costs						
2	Non-fuel generation costs	m Kbv	57	205	0	683	945
2 1	Fossil	m. Kbv	0	0	0	150	150
2 2	Hydro	m Kbv	57	205	0	533	795
3	Fuel	m. Kbv	0	0	0	685	685
4	Total generation costs (4)=(2)+(3)	m Kbv	57	205	0	1368	1630
	Generation profit						
5	Revenue	m Kbv	1124	3974	0	11720	16818
6	Allocated generation costs (6)=(4)	m Kbv	57	205	0	1368	1630
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	1067	3769	0	10353	15188
9	Income tax (9)= 30% of (8)	m Kbv	320	1131	0	3106	4556
10	Profit before land payments (10)=(8)-(9)	m. Kbv	747	2638	0	7247	10632
11	Payments for land	m. Kbv	3	9	0	29	40
12	Generator profit (12)=(10)-(11)	m. Kbv	744	2629	0	7218	10592
	LVNO FUNCTION						
13	Revenue requirement	m Kbv	86479	71905	65155	230115	453653
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	57532	47256	43040	152908	300735
15	LVNO costs (15)= 90% of (14)	m Kbv	51779	42530	38736	137617	270662
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv.	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv	34700	29374	26419	92498	182991
18	Income tax (18)= 30% of (17)	m Kbv	10410	8812	7926	27749	54897
19	Profit before land payments (19)=(17)-(18)	m Kbv	24290	20562	18493	64748	128094
20	Payments for land	m. Kbv	487	771	560	1411	3230
21	LVNO profit (21)= Assigned % of (13)	m Kbv.	23803	19791	17933	63337	124864
	LES FUNCTION						
22	Revenue	m Kbv	9481	7788	7093	25199	49561
23	LES costs (27)= 10% of (14)	m Kbv.	5753	4726	4304	15291	30074
24	Income from electric energy (27)=(22)-(25)	m. Kbv	3728	3062	2789	9908	19488
25	Income tax (28)= 30% of (27)	m Kbv	1118	919	837	2973	5846
26	Income (29)= Assigned % of (22)	m. Kbv	2610	2143	1952	6936	13641
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv	27156	24564	19886	77491	149097
	RETAIL TARIFF COST COMPONENTS						
28	Power supply						
28a	Energomarket purchases	m Kbv	743328	411610	311300	927647	2393885
28b	Self-generation						
28c	Sales to Energomarket	m Kbv	1124	3974	0	11720	16818
28d	Energomarket costs	m Kbv	6	21	0	62	89
28e	Total of self-generation	m Kbv	1130	3995	0	11782	16907
28f	Block stations	m. Kbv	0	0	0	10088	10088
28g	Total power supply	m Kbv	744458	415605	311300	949516	2420879
29	LVNO services	m Kbv	86479	71905	65155	230115	453653
30	LES services	m Kbv	9481	7788	7093	25199	49561
31	Total costs of retail supply	m Kbv	840417	495297	383549	1204830	2924093
32	Gross receipts tax	m. Kbv	27782	16373	12679	39829	96664
33	Total costs	m Kbv	868200	511671	396228	1244659	3020757
	RETAIL TARIFF PRICE COMPONENTS						
34	Power supply	Kbv /kWh	4405	4285	4450	4594	4461
35	LVNO services	Kbv./kWh	512	741	931	1113	836
36	LES services	Kbv./kWh	56	80	101	122	91
37	Gross receipts tax	Kbv /kWh	164	169	181	193	178
38	Total Price	Kbv./kWh	5137	5275	5664	6022	5567

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

			Khmelnytsky Oblenergo	Ternopil OEEN	Chernivtsi OEEN	Vinnytsia Oblenergo	TOTAL
	REVENUE COMPONENT CHANGES						
	Purchase price						
39	NDC purchase price						
39a	Effective price from NDC	Kbv/kWh	3,573	3,292	3,078	3,317	3,361
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	462	743	957	718	674
39d.	Quantity	kWh m.	184	102	77	230	593
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	85,196	75,801	73,852	165,137	399,986
40	Block station purchase price						
40a	Effective price from block stations	Kbv/kWh	0	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035	4,035	4,035
40d	Quantity	kWh m.	0.00	0 00	0.00	2 50	2 50
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	0	0	0	10,088	10,088
	Sales price						
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21	21
41d	Self generation	kWh m	0.28	0.99	0 00	2.92	4 19
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m.	6	21	0	62	89
	Gross receipts tax						
42a	Existing system	Kbv m	23,817	12,862	9,325	30,409	76,413
42b	Proposed system	Kbv m.	27,782	16,373	12,679	39,829	96,664
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	3,966	3,512	3,354	9,420	20,251
	Profit before tax						
43a	Existing system profit before tax	Kbv m	4,730	5,802	1,594	3,097	15,223
43b	Proposed system profit before tax	Kbv m					
43c	Generation	Kbv m	1,067	3,769	0	10,353	15,188
43d	LVNO services	Kbv m	34,700	29,374	26,419	92,498	182,991
43e	LES services	Kbv m	3,728	3,062	2,789	9,908	19,488
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	39,495	36,205	29,208	112,759	217,667
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	34,764	30,404	27,615	109,661	202,444
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	123,932	109,738	104,821	294,367	632,857
	REVENUE CHANGES						
45	Existing system revenue	Kbv m	744,268	401,933	291,407	950,292	2,387,900
46	Proposed system revenue	Kbv m	868,200	511,671	396,228	1,244,659	3,020,757
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m.	123,932	109,738	104,821	294,367	632,857

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Oblenergo Financial Results (as provided by Minenergo), July 1995

Dniproenergo

		Units	ACTUAL DATA			
			Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	
	1	2	3.2.	3.3.	3.4	TOTAL
1	Production of electrical energy	m kWh		1.50		1 50
2	Energy supply from buses	m kWh	-1 23	1.46		0 23
3	Useful supply of electric energy	m kWh	2020 00	215 00	850	3085
4	Useful supply to internal consumers	m kWh	2020 00	215.00	850	3085
5	Manufacturing cost					
	Services of production character	m. Kbv	6110	2200	4118	12428
	Additional materials and raw materials	m. Kbv	6653	5596	12687	24936
	Fuel from external sources	m. Kbv.	8100	5605	6071	19776
	Energy from external sources	m Kbv	2450	5830	5109	13389
	Labor costs	m Kbv.	46795	22408	30450	99653
	Payments to social security fund	m Kbv.	17314	8291	11267	36872
	Payments to employment fund	m Kbv	936	448	609	1993
	Payments to Chernobyl fund	m Kbv.	5615	2689	3654	11958
	Depreciation for complete	m. Kbv.	51064	22540	20065	93669
	Spendings for repairs	m Kbv.	28618	71158	107577	207353
	Other payments	m Kbv	38830	56298	36956	132084
	credit interest included	m Kbv	0	0	0	0
	Total production costs	m. Kbv	212485	203063	238563	654111
		m Kbv.				
	Spending for services not included in total product	m Kbv	0	0	0	0
	Bought energy - total	m Kbv	8908400	733875	3717669	13359944
	Manufacturing costs of total commercial product	m Kbv	9120885	936938	3956232	14014055
		m. Kbv.				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	324647	31321	139681	495650
		m Kbv.				
	Payments for development of wind energy production (0 5% of total sales)	m Kbv.	0	0	0	0
	Payments for exhausts within limits	m Kbv.	27	0	12	39
		m. Kbv				
	Manufacturing cost of commercial product	m. Kbv	9445560	968259	4095925	14509744
7	Tax benefits - total	m. Kbv	0	0	0	0
8	Capital investments	m Kbv	98064	51540	51565	201169
8 1	Depreciation	m Kbv	51064	22540	20065	93669
8 2	From income	m Kbv	47000	29000	31500	107500
8 3	From income for rural power networks	m. Kbv	0	0	0	0
		m. Kbv				
		m. Kbv				
9	Current spending from income (without capital investment)	m Kbv	428642		151471	580113
	including	m. Kbv.				
	- funds directed for production development	m. Kbv				
	- social funds	m Kbv				
	- payments to centralized funds	m. Kbv				
	- increases in turnover funds	m Kbv				
	- remuneration funds	m Kbv.				
	- other purposes	m. Kbv				
10	Income	m Kbv	475642	3761	182971	662374
11	Balance income	m Kbv	0	0	0	0
12	Payments for land	m Kbv	14128	3611	5407	23146
13	Income tax	m Kbv.	209901	3160	80733	293794
14	Exports	m Kbv.	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m. Kbv.	10145231	978791	4365036	15489058
16	Income from electric energy [Profit before tax & land payment]	m Kbv	699671	10532	269111	979314
17	Energy supply to internal consumers	m Kbv	10145231	978791	4365036	15489058
18	Tariff for internal consumers [Average revenue]	Kbv./kWh	5022	4553	5135	5021
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	7.67%	1 12%	6 80%	6 99%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4676	4504	4819	4703
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv./kWh	4289	3205	4215	4191
	ENERGY TARIFF APPROVED	Kbv /kWh	4290	3200	4220	4190
	AVERAGE PRICE					
	Energy from block stations	m. Kbv	0	0	0	0
	Energy bought from National Dispatch Center	m Kbv	8908400	733875	3717669	13359944
	Energy bought from National Dispatch Center	m. kWh	2077	229	882	3188
	Profitability	%	7.16%	-1 97%	6.01%	6.22%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv./kWh	262	1064	438	366
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	8910330	732800	3722040	13357720

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Oblenergo Income Statement (July 1995)

Dniproenergo

		Units	WHOLESALE MARKET COST ALLOCATION			
			Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	
	1	2	3 1	3.2	3.3	TOTAL
1	Total oblenergo operating costs	m. Kbv.	212512	203063	238575	654150
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m Kbv	0	307	0	307
2 1	Fossil	m Kbv	0	0	0	0
2.2	Hydro	m Kbv.	0	307	0	307
3	Fuel	m Kbv	8100	5605	6071	19776
4	Total generation costs (4)=(2)+(3)	m Kbv.	8100	5912	6071	20083
	Generation profit					
5	Revenue	m Kbv	0	5860	0	5860
6	Allocated generation costs (6)=(4)	m Kbv	8100	5912	6071	20083
7	Payments to investment fund, labor safety fund, and road fund	m. Kbv.	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	-8100	-52	-6071	-14223
9	Income tax (9)= 30% of (8)	m. Kbv	-2430	-16	-1821	-4267
10.	Profit before land payments (10)=(8)-(9)	m Kbv	-5670	-36	-4250	-9956
11	Payments for land	m. Kbv	0	13	0	13
12	Generator profit (12)=(10)-(11)	m. Kbv	-5670	-50	-4250	-9970
	LVNO FUNCTION					
13	Revenue requirement	m. Kbv.	336445	300882	357578	994905
14	Total LES/LVNO costs (14)=(1)-(4)	m. Kbv.	204412	197151	232504	634066
15	LVNO costs (15)= 90% of (14)	m. Kbv.	183971	177435	209253	570660
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv.	152474	123447	148325	424245
18	Income tax (18)= 30% of (17)	m Kbv	45742	37034	44497	127274
19	Profit before land payments (19)=(17)-(18)	m Kbv.	106732	86413	103827	296972
20	Payments for land	m Kbv	14128	3598	5407	23133
21	LVNO profit (21)= Assigned % of (13)	m Kbv	92604	82815	98420	273839
	LES FUNCTION					
22	Revenue	m. Kbv.	33687	32490	38316	104494
23	LES costs (27)= 10% of (14)	m Kbv	20441	19715	23250	63407
24	Income from electric energy (27)=(22)-(25)	m Kbv	13246	12775	15066	41087
25	Income tax (28)= 30% of (27)	m Kbv	3974	3833	4520	12326
26	Income (29)= Assigned % of (22)	m Kbv	9272	8943	10546	28761
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	96206	91708	104717	292631
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	8380695	924015	3558870	12863580
28b	Self-generation					
28c	Sales to Energomarket	m Kbv	0	5860	0	5860
28d	Energomarket costs	m Kbv	0	31	0	31
28e	Total of self-generation	m Kbv.	0	5891	0	5891
28f	Block stations	m Kbv	322800	20175	40350	383325
28g	Total power supply	m Kbv	8703495	950081	3599220	13252796
29	LVNO services	m. Kbv.	336445	300882	357578	994905
30	LES services	m Kbv	33687	32490	38316	104494
31	Total costs of retail supply	m Kbv.	9073627	1283454	3995114	14352195
32	Gross receipts tax	m. Kbv	299955	42428	132070	474453
33	Total costs	m. Kbv	9373582	1325882	4127184	14826648
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv./kWh	4309	4419	4234	4296
35	LVNO services	Kbv /kWh	167	1399	421	322
36	LES services	Kbv /kWh	17	151	45	34
37	Gross receipts tax	Kbv /kWh	148	197	155	154
38	Total Price	Kbv./kWh	4640	6167	4856	4806

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RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	TOTAL
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	4,289	3,205	4,215	4,191
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(254)	830	(180)	(156)
39d	Quantity	kWh m.	2,077	229	882	3,188
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m.	(527,705)	190,140	(158,799)	(496,364)
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035	4,035
40d	Quantity	kWh m.	80 00	5.00	10.00	95 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	322,800	20,175	40,350	383,325
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21
41d	Self generation	kWh m	0 00	1 46	0 00	1 46
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	0	31	0	31
	Gross receipts tax					
42a	Existing system	Kbv m	324,647	31,321	139,681	495,650
42b	Proposed system	Kbv m	299,955	42,428	132,070	474,453
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	(24,693)	11,107	(7,611)	(21,197)
	Profit before tax					
43a	Existing system profit before tax	Kbv m	699,671	10,532	269,111	979,314
43b	Proposed system profit before tax	Kbv m				
43c	Generation	Kbv m	(8,100)	(52)	(6,071)	(14,223)
43d	LVNO services	Kbv m	152,474	123,447	148,325	424,245
43e	LES services	Kbv m	13,246	12,775	15,066	41,087
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m.	157,620	136,170	157,320	451,109
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	(542,052)	125,638	(111,792)	(528,205)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	(771,649)	347,091	(237,852)	(662,410)
	REVENUE CHANGES					
45	Existing system revenue	Kbv m	10,145,231	978,791	4,365,036	15,489,058
46	Proposed system revenue	Kbv m	9,373,582	1,325,882	4,127,184	14,826,648
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m.	(771,649)	347,091	(237,852)	(662,410)

Oblenergo Financial Results (as provided by Minenergo), July 1995

Donbassenergo

		Units	ACTUAL DATA Lugansk Oblenergo	Donetsk Oblenergo	TOTAL
	1	2	3 2.	3.3	
1	Production of electrical energy	m. kWh	9 60	11.64	21 24
2	Energy supply from buses	m. kWh	4 34	4 05	8 39
3	Useful supply of electric energy	m kWh	971	1960	2931
4	Useful supply to internal consumers	m. kWh	971	1960	2931
5	Manufacturing cost				
	Services of production character	m Kbv	3264	9393	12657
	Additional materials and raw materials	m Kbv.	3444	10902	14346
	Fuel from external sources	m. Kbv.	13040	19899	32939
	Energy from external sources	m. Kbv	6236	6233	12469
	Labor costs	m Kbv	38487	63665	102152
	Payments to social security fund	m Kbv.	14240	23556	37796
	Payments to employment fund	m Kbv.	770	1273	2043
	Payments to Chernobyl fund	m Kbv	4618	7640	12258
	Depreciation for complete	m Kbv.	12544	17864	30408
	Spendings for repairs	m Kbv.	23614	9478	33092
	Other payments	m Kbv.	16692	18329	35021
	credit interest included	m. Kbv	0	0	0
	Total production costs	m. Kbv	136950	188232	325182
		m. Kbv			
	Spending for services not included in total product	m Kbv	1523	19476	20999
	Bought energy - total	m Kbv	4319813	8706261	13026074
	Manufacturing costs of total commercial product	m Kbv	4455240	8875017	13330257
		m. Kbv.			
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	160673	311299	471972
		m. Kbv.			
	Payments for development of wind energy production (0 5% of total sales)	m Kbv	0	0	0
	Payments for exhausts within limits	m Kbv.	0	12	12
		m Kbv			
	Manufacturing cost of commercial product	m Kbv	4615913	9186328	13802241
7	Tax benefits - total	m Kbv			
8	Capital investments	m Kbv	65444	160764	226208
8 1	Depreciation	m Kbv	12544	17864	30408
8 2	From income	m Kbv	52900	142900	195800
8 3	From income for rural power networks	m. Kbv			
		m. Kbv			
		m. Kbv.			
9	Current spending from income (without capital investment)	m. Kbv	230251	224762	455014
	including	m Kbv			
	- funds directed for production development	m. Kbv			
	- social funds	m. Kbv.			
	- payments to centralized funds	m Kbv.			
	- increases in turnover funds	m. Kbv.			
	- remuneration funds	m Kbv			
	- other purposes	m Kbv			
10	Income	m Kbv.	283151	367662	650814
11	Balance income	m Kbv	0	0	0
12	Payments for land	m Kbv.	423	11580	12003
13	Income tax	m Kbv.	121532	162532	284064
14	Exports	m Kbv	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	5021019	9728103	14749122
16	Income from electric energy [Profit before tax & land payment]	m Kbv	405106	541775	946881
17	Energy supply to internal consumers	m Kbv	5021019	9728103	14749122
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5171	4963	5032
19	Tariff for transmitting to National Dispatch Center	Kbv./kWh			
20	Profitability of electric energy	%	9 09%	6 10%	7 10%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4754	4687	4709
	FOR INFORMATION				
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4309	4128	4187
	ENERGY TARIFF APPROVED	Kbv /kWh	4310	4130	4190
	AVERAGE PRICE				
	Energy from block stations	m. Kbv.	0	0	0
	Energy bought from National Dispatch Center	m Kbv	4319813	8706261	13026074
	Energy bought from National Dispatch Center	m kWh	1002	2109	3111
	Profitability	%	7.91%	4.49%	5 63%
	Index of tariff increase for electric energy				
	Constant spending for kilowatt hour	Kbv./kWh	292	235	254
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv.	4320344	8710170	13030514

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Oblenergo Income Statement (July 1995)

Donbassenergo		WHOLESALE MARKET COST ALLOCATION			
		Units	Lugansk Oblenergo	Donetsk Oblenergo	
	1	2	3 1	3 2	TOTAL
1	Total oblenergo operating costs	m Kbv	135427	168768	304195
	GENERATION FUNCTION				
	Allocation of generation costs				
2	Non-fuel generation costs	m. Kbv	2399	2909	5308
2 1	Fossil	m. Kbv	2399	2909	5308
2.2	Hydro	m Kbv	0	0	0
3	Fuel	m Kbv.	13040	19899	32939
4	Total generation costs (4)=(2)+(3)	m Kbv.	15439	22808	38247
	Generation profit				
5	Revenue	m. Kbv	17420	16256	33676
6	Allocated generation costs (6)=(4)	m Kbv	15439	22808	38247
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	1981	-6552	-4571
9	Income tax (9)= 30% of (8)	m Kbv	594	-1966	-1371
10	Profit before land payments (10)=(8)-(9)	m Kbv	1387	-4586	-3199
11	Payments for land	m. Kbv	86	104	190
12	Generator profit (12)=(10)-(11)	m Kbv	1301	-4691	-3390
	LVNO FUNCTION				
13	Revenue requirement	m. Kbv.	178759	243505	422263
14	Total LES/LVNO costs (14)=(1)-(4)	m. Kbv.	119988	145960	265948
15	LVNO costs (15)= 90% of (14)	m. Kbv.	107989	131364	239353
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv.	70770	112140	182910
18	Income tax (18)= 30% of (17)	m Kbv.	21231	33642	54873
19	Profit before land payments (19)=(17)-(18)	m Kbv.	49539	78498	128037
20	Payments for land	m Kbv	337	11476	11813
21	LVNO profit (21)= Assigned % of (13)	m Kbv	49202	67023	116224
	LES FUNCTION				
22	Revenue	m Kbv.	19774	24054	43828
23	LES costs (27)= 10% of (14)	m Kbv.	11999	14596	26595
24	Income from electric energy (27)=(22)-(25)	m Kbv	7775	9458	17233
25	Income tax (28)= 30% of (27)	m. Kbv	2333	2837	5170
26	Income (29)= Assigned % of (22)	m. Kbv	5443	6621	12063
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv	55945	68953	124898
	RETAIL TARIFF COST COMPONENTS				
28	Power supply				
28a	Energomarket purchases	m. Kbv	4044684	8509815	12554499
28b	Self-generation				
28c	Sales to Energomarket	m Kbv	17420	16256	33676
28d	Energomarket costs	m Kbv	92	86	177
28e	Total of self-generation	m Kbv	17512	16342	33854
28f	Block stations	m Kbv	32280	270345	302625
28g	Total power supply	m Kbv	4094476	8796502	12890978
29	LVNO services	m. Kbv	178759	243505	422263
30	LES services	m. Kbv.	19774	24054	43828
31	Total costs of retail supply	m Kbv.	4293009	9064061	13357069
32	Gross receipts tax	m Kbv	141918	299638	441556
33	Total costs	m. Kbv	4434926	9363699	13798625
	RETAIL TARIFF PRICE COMPONENTS				
34	Power supply	Kbv./kWh	4217	4488	4398
35	LVNO services	Kbv /kWh	184	124	144
36	LES services	Kbv /kWh	20	12	15
37	Gross receipts tax	Kbv./kWh	146	153	151
38	Total Price	Kbv /kWh	4567	4777	4708

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Lugansk Oblenergo	Donetsk Oblenergo	TOTAL
	Purchase price				
39	NDC purchase price				
39a	Effective price from NDC	Kbv/kWh	4,309	4,128	4,187
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(274)	(93)	(152)
39d	Quantity	kWh m	1,002	2,109	3,111
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(275,129)	(196,446)	(471,575)
40	Block station purchase price				
40a	Effective price from block stations	Kbv/kWh	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035
40d	Quantity	kWh m	8 00	67 00	75 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	32,280	270,345	302,625
	Sales price				
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21
41d	Self generation	kWh m	4.34	4.05	8.39
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	92	86	177
	Gross receipts tax				
42a	Existing system	Kbv m.	160,673	311,299	471,972
42b	Proposed system	Kbv m.	141,918	299,638	441,556
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m.	(18,755)	(11,661)	(30,416)
	Profit before tax				
43a	Existing system profit before tax	Kbv m	405,106	541,775	946,881
43b	Proposed system profit before tax	Kbv m			
43c	Generation	Kbv m	1,981	(6,552)	(4,571)
43d	LVNO services	Kbv m	70,770	112,140	182,910
43e	LES services	Kbv m	7,775	9,458	17,233
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	80,526	115,047	195,573
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	(324,581)	(426,728)	(751,308)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m.	(586,093)	(364,404)	(950,497)
	REVENUE CHANGES				
45	Existing system revenue	Kbv m	5,021,019	9,728,103	14,749,122
46	Proposed system revenue	Kbv m.	4,434,926	9,363,699	13,798,625
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	(586,093)	(364,404)	(950,497)

Oblenergo Financial Results (as provided by Minenergo), July 1995

Kievenergo

		Units	ACTUAL DATA					
			Kiev Oblenergo	Kiev City Oblenergo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	
	1	2	3.2.	3 3	3 4	3.5	3.6	TOTAL
1	Production of electrical energy	m kWh	0.10	361.00		32.00	37 00	430 10
2	Energy supply from buses	m. kWh	0.10	326.25		26.50	32.38	385 23
3	Useful supply of electric energy	m kWh	270 40	343 00	159 50	276 94	137 50	1187 34
4	Useful supply to internal consumers	m kWh	270 40	343 00	159 50	276 94	137 50	1187 34
5	Manufacturing cost							
	Services of production character	m Kbv.	4310	40530	600	17040	5960	68440
	Additional materials and raw materials	m. Kbv	6900	51561	3500	15060	5416	82437
	Fuel from external sources	m Kbv	4600	796693	5300	112474	139045	1058112
	Energy from external sources	m. Kbv	3300	6485	3800	2850	2150	18585
	Labor costs	m Kbv	27550	22135	26730	22649	22796	121860
	Payments to social security fund	m. Kbv	10194	8190	9890	8380	8434	45088
	Payments to employment fund	m Kbv	551	443	535	453	456	2437
	Payments to Chernobyl fund	m Kbv	3306	2656	3208	2718	2735	14623
	Depreciation for complete	m Kbv	12900	36393	16500	10854	11153	87800
	Spendings for repairs	m. Kbv	9950	92338	3200	0	11153	116641
	Other payments	m Kbv	31410	104894	32540	37308	2190	208342
	credit interest included	m Kbv	0	12679	0	0	0	12679
	Total production costs	m. Kbv	114971	1162318	105802	229786	211488	1824365
		m Kbv						
	Spending for services not included in total product	m. Kbv	180	0	0	4000	6000	10180
	Bought energy - total	m. Kbv	1115442	187620	611106	1000934	331729	3246831
	Manufacturing costs of total commercial product	m Kbv	1230233	1349938	716908	1226720	537217	5061016
		m Kbv.						
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m Kbv	40684	55604	24522	40710	20451	181971
		m Kbv						
	Payments for development of wind energy production (0 5% of total sales)	m Kbv	0	0	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	0	0	13	0	13
		m. Kbv.						
	Manufacturing cost of commercial product	m Kbv.	1270916	1405542	741431	1267443	557669	5243000
7	Tax benefits - total	m Kbv	0	0	0	0	0	0
8	Capital investments	m Kbv.	31200	103893	30700	35854	28653	230300
8 1	Depreciation	m Kbv.	12900	36393	16500	10854	11153	87800
8 2	From income	m Kbv	18300	67500	14200	25000	17500	142500
8 3	From income for rural power networks	m. Kbv	0	0	0	0	0	0
		m. Kbv.						
		m. Kbv						
9	Current spending from income (without capital investment)	m Kbv		162455	2824		39107	204386
	including	m Kbv						
	- funds directed for production development	m. Kbv.						
	- social funds	m. Kbv						
	- payments to centralized funds	m. Kbv						
	- increases in turnover funds	m Kbv						
	- remuneration funds	m Kbv						
	- other purposes	m Kbv						
10	Income	m Kbv	17	229955	17024	2911	56607	306513
11	Balance income	m Kbv.	0	0	0	0	0	0
12	Payments for land	m Kbv	300	2500	400	400	400	4000
13	Income tax	m Kbv	136	99624	7467	1419	24431	133077
14	Exports	m Kbv.	0	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1271369	1737621	766322	1272172	639107	5686591
16	Income from electric energy [Profit before tax & land payment]	m Kbv	453	332079	24891	4729	81438	443591
17	Energy supply to internal consumers	m Kbv.	1271369	1737621	766322	1272172	639107	5686591
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	4702	5066	4805	4594	4648	4789
19	Tariff for transmitting to National Dispatch Center	Kbv./kWh						
20	Profitability of electric energy	%	0 04%	24 60%	3.47%	0 39%	15 16%	8 76%
21	Manufacturing cost of electric energy [Average total cost]	Kbv./kWh	4700	4098	4648	4577	4056	4416
	FOR INFORMATION							
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	3719	6190	3512	3678	2764	3576
	ENERGY TARIFF APPROVED	Kbv /kWh	3720	6190	3510	3680	2760	3580
	AVERAGE PRICE							
	Energy from block stations	m Kbv	35700	95700	0	0	0	131400
	Energy bought from National Dispatch Center	m Kbv.	1079742	91920	611106	1000934	331729	3115431
	Energy bought from National Dispatch Center	m. kWh	290	15	174	272	120	871
	Profitability	%	-1 45%	19.60%	1 49%	-1.65%	11.90%	5 95%
	Index of tariff increase for electric energy							
	Constant spending for kilowatt hour	Kbv /kWh	558	1228	784	556	632	790
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	1079916	91922	610740	1001475	331283	3119326

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Oblenergo Income Statement (July 1995)

Kievenergo

		Units	WHOLESALE MARKET COST ALLOCATION					
			Kiev Oblenergo	Kiev City Energo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	
1		2	3 1	3.2	3 3	3 4	3.5	TOTAL
1	Total oblenergo operating costs	m Kbv.	114791	1162318	105802	225799	205488	1814199
	GENERATION FUNCTION							
	Allocation of generation costs							
2	Non-fuel generation costs	m Kbv	20	90213	0	7952	9246	107431
2 1	Fossil	m Kbv	0	90213	0	7747	9246	107206
2 2	Hydro	m Kbv.	20	0	0	205	0	225
3	Fuel	m Kbv	4600	796693	5300	112474	139045	1058112
4	Total generation costs (4)=(2)+(3)	m Kbv.	4620	886906	5300	120426	148291	1165543
	Generation profit							
5	Revenue	m Kbv	401	1309517	0	106367	129968	1546253
6	Allocated generation costs (6)=(4)	m Kbv	4620	886906	5300	120426	148291	1165543
7	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	-4219	422611	-5300	-14059	-18323	380711
9	Income tax (9)= 30% of (8)	m Kbv	-1266	126783	-1590	-4218	-5497	114213
10	Profit before land payments (10)=(8)-(9)	m Kbv	-2953	295828	-3710	-9841	-12826	266497
11	Payments for land	m Kbv	1	2500	0	287	332	3120
12	Generator profit (12)=(10)-(11)	m Kbv	-2954	293328	-3710	-10128	-13158	263378
	LVNO FUNCTION							
13	Revenue requirement	m Kbv.	164108	408491	150006	156556	84995	964156
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	110170	275413	100502	105374	57197	648656
15	LVNO costs (15)= 90% of (14)	m Kbv	99153	247871	90452	94836	51478	583790
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv.	64955	160619	59554	61719	33518	380366
18	Income tax (18)= 30% of (17)	m Kbv.	19486	48186	17866	18516	10055	114110
19	Profit before land payments (19)=(17)-(18)	m Kbv	45468	112434	41688	43204	23462	266256
20	Payments for land	m Kbv	299	0	400	113	68	880
21	LVNO profit (21)= Assigned % of (13)	m Kbv.	45169	112434	41288	43091	23394	265376
	LES FUNCTION							
22	Revenue	m Kbv	18156	45388	16563	17366	9426	106898
23	LES costs (27)= 10% of (14)	m. Kbv	11017	27541	10050	10537	5720	64866
24	Income from electric energy (27)=(22)-(25)	m Kbv	7139	17847	6513	6828	3706	42033
25	Income tax (28)= 30% of (27)	m Kbv	2142	5354	1954	2048	1112	12610
26	Income (29)= Assigned % of (22)	m Kbv	4997	12493	4559	4780	2594	29423
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	47212	418254	42137	37742	12831	558176
	RETAIL TARIFF COST COMPONENTS							
28	Power supply							
28a	Energomarket purchases	m Kbv	1171361	59920	702090	1098085	484321	3515776
28b	Self-generation							
28c	Sales to Energomarket	m Kbv	401	1309517	0	106367	129968	1546253
28d	Energomarket costs	m. Kbv	2	6902	0	561	685	8150
28e	Total of self-generation	m Kbv	404	1316419	0	106928	130653	1554403
28f	Block stations	m Kbv	96840	141225	0	0	0	238065
28g	Total power supply	m Kbv.	1268604	1517564	702090	1205012	614974	5308244
29	LVNO services	m Kbv	164108	408491	150006	156556	84995	964156
30	LES services	m. Kbv	18156	45388	16563	17366	9426	106898
31	Total costs of retail supply	m Kbv	1450868	1971442	868659	1378934	709396	6379298
32	Gross receipts tax	m Kbv	47963	65172	28716	45585	23451	210886
33	Total costs	m. Kbv	1498830	2036614	897375	1424518	732847	6590184
	RETAIL TARIFF PRICE COMPONENTS							
34	Power supply	Kbv /kWh	4692	4424	4402	4351	4473	4471
35	LVNO services	Kbv /kWh	607	1191	940	565	618	812
36	LES services	Kbv /kWh	67	132	104	63	69	90
37	Gross receipts tax	Kbv /kWh	177	190	180	165	171	178
38	Total Price	Kbv /kWh	5543	5938	5626	5144	5330	5550

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Kiev Oblenergo	Kiev City Energo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	TOTAL
	Purchase price							
39	NDC purchase price							
39a	Effective price from NDC	Kbv/kWh	3,719	6,190	3,512	3,678	2,764	3,576
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	316	(2,155)	523	357	1,271	459
39d	Quantity	kWh m.	290	15	174	272	120	871
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	91,618	(32,000)	90,984	97,151	152,592	400,345
40	Block station purchase price							
40a	Effective price from block stations	Kbv/kWh	1,488	2,734	0	0	0	2,227
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	2,548	1,301	4,035	4,035	4,035	1,808
40d	Quantity	kWh m	24.00	35 00	0.00	0 00	0 00	59 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	61,140	45,525	0	0	0	106,665
	Sales price							
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21	21	21
41d	Self generation	kWh m	0 10	326 25	0 00	26 50	32.38	385 23
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	2	6,902	0	561	685	8,150
	Gross receipts tax							
42a	Existing system	Kbv m	40,684	55,604	24,522	40,710	20,451	181,971
42b	Proposed system	Kbv m	47,963	65,172	28,716	45,585	23,451	210,886
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	7,279	9,568	4,194	4,875	3,000	28,915
	Profit before tax							
43a	Existing system profit before tax	Kbv m	453	332,079	24,891	4,729	81,438	443,591
43b	Proposed system profit before tax	Kbv m						
43c	Generation	Kbv m	(4,219)	422,611	(5,300)	(14,059)	(18,323)	380,711
43d	LVNO services	Kbv m	64,955	160,619	59,554	61,719	33,518	380,366
43e	LES services	Kbv m	7,139	17,847	6,513	6,828	3,706	42,033
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	67,875	601,077	60,767	54,489	18,901	803,109
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	67,422	268,998	35,875	49,760	(62,537)	359,518
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	227,461	298,993	131,053	152,346	93,740	903,593
	REVENUE CHANGES							
45	Existing system revenue	Kbv m	1,271,369	1,737,621	766,322	1,272,172	639,107	5,686,591
46	Proposed system revenue	Kbv m	1,498,830	2,036,614	897,375	1,424,518	732,847	6,590,184
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	227,461	298,993	131,053	152,346	93,740	903,593

Oblenergo Financial Results (as provided by Minenergo), July 1995

Krymenergo

		Units	ACTUAL DATA Sevastopol Oblenergo	Crimea Oblenergo	TOTAL
	1	2	3.1	3.2	
1	Production of electrical energy	m kWh	0.60	29.20	29 80
2	Energy supply from buses	m kWh	0 27	20.25	20 52
3	Useful supply of electric energy	m kWh	57 50	420 00	477 50
4	Useful supply to internal consumers	m kWh	57.50	420 00	477.50
5	Manufacturing cost				
	Services of production character	m Kbv.	2561	4195	6756
	Additional materials and raw materials	m Kbv.	3062	22769	25831
	Fuel from external sources	m Kbv.	1901	90124	92025
	Energy from external sources	m. Kbv	2344	11350	13694
	Labor costs	m. Kbv	5351	30261	35612
	Payments to social security fund	m Kbv.	1980	11197	13176
	Payments to employment fund	m. Kbv	107	605	712
	Payments to Chernobyl fund	m. Kbv	642	3631	4273
	Depreciation for complete	m. Kbv	3124	12537	15661
	Spendings for repairs	m Kbv			
	Other payments	m Kbv	5344	15961	21305
	credit interest included	m Kbv	0	5000	5000
	Total production costs	m Kbv	26416	202630	229046
		m. Kbv			
	Spending for services not included in total product	m. Kbv.	0	18500	18500
	Bought energy - total	m Kbv.	261135	1885721	2146856
	Manufacturing costs of total commercial product	m Kbv.	287551	2069851	2357402
		m. Kbv.			
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m Kbv	10061	68529	78590
		m. Kbv			
	Payments for development of wind energy production (0 5% of total sales)	m. Kbv.	0	0	0
	Payments for exhausts within limits	m. Kbv.	0	0	0
		m. Kbv.			
	Manufacturing cost of commercial product	m Kbv.	297612	2138380	2435991
7	Tax benefits - total	m Kbv.			
8	Capital investments	m Kbv	21624	65537	87161
8 1	Depreciation	m Kbv.	3124	12537	15661
8.2	From income	m Kbv.	18500	53000	71500
8 3	From income for rural power networks	m. Kbv			
		m Kbv			
		m Kbv.			
9	Current spending from income (without capital investment)	m Kbv			
	including.	m Kbv			
	- funds directed for production development	m Kbv.			
	- social funds	m Kbv.			
	- payments to centralized funds	m Kbv			
	- increases in turnover funds	m. Kbv			
	- remuneration funds	m Kbv			
	- other purposes	m. Kbv.			
10	Income	m. Kbv	9587	200	9787
11	Balance income	m Kbv	0	0	0
12	Payments for land	m Kbv	2166	2000	4166
13	Income tax	m. Kbv	5037	943	5980
14	Exports	m. Kbv.	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	314401	2141523	2455924
16	Income from electric energy [Profit before tax & land payment]	m Kbv	16789	3143	19933
17	Energy supply to internal consumers	m Kbv	314401	2141523	2455924
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5468	5099	10567
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh			
20	Profitability of electric energy	%	5 84%	0 15%	0 85%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5176	5091	5102
	FOR INFORMATION				
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4066	3829	3856
	ENERGY TARIFF APPROVED	Kbv /kWh	4070	3830	3860
	AVERAGE PRICE				
	Energy from block stations	m Kbv	0	0	0
	Energy bought from National Dispatch Center	m Kbv	261135	1885721	2146856
	Energy bought from National Dispatch Center	m kWh	64	493	557
	Profitability	%	-0.59%	-2 41%	-2.19%
	Index of tariff increase for electric energy				
	Constant spending for kilowatt hour	Kbv /kWh	601	387	413
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	261416	1886275	2148978

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Oblenergo Income Statement (July 1995)

Krymenergo		WHOLESALE MARKET COST ALLOCATION			
		Units	Sevastopol City Energo	Crimea Energo	
	1	2	3 1	3.2	TOTAL
1	Total oblenergo operating costs	m Kbv.	26416	184130	210546
	GENERATION FUNCTION				
	Allocation of generation costs				
2	Non-fuel generation costs	m. Kbv	150	6297	6447
2 1	Fossil	m. Kbv	150	6297	6447
2 2	Hydro	m Kbv.	0	0	0
3	Fuel	m Kbv	1901	90124	92025
4	Total generation costs (4)=(2)+(3)	m Kbv	2051	96421	98472
	Generation profit				
5	Revenue	m Kbv	1084	81280	82364
6	Allocated generation costs (6)=(4)	m Kbv	2051	96421	98472
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv.	-967	-15141	-16108
9	Income tax (9)= 30% of (8)	m Kbv.	-290	-4542	-4832
10	Profit before land payments (10)=(8)-(9)	m. Kbv	-677	-10599	-11276
11	Payments for land	m Kbv	5	262	267
12	Generator profit (12)=(10)-(11)	m Kbv	-682	-10861	-11543
	LVNO FUNCTION				
13	Revenue requirement	m Kbv	41224	134181	175406
14	Total LES/LVNO costs (14)=(1)-(4)	m. Kbv	24365	87709	112073
15	LVNO costs (15)= 90% of (14)	m Kbv	21928	78938	100866
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	19296	55243	74540
18	Income tax (18)= 30% of (17)	m. Kbv	5789	16573	22362
19	Profit before land payments (19)=(17)-(18)	m. Kbv	13507	38670	52178
20	Payments for land	m Kbv	2161	1738	3899
21	LVNO profit (21)= Assigned % of (13)	m Kbv	11347	36932	48279
	LES FUNCTION				
22	Revenue	m. Kbv.	4015	14454	18470
23	LES costs (27)= 10% of (14)	m. Kbv	2436	8771	11207
24	Income from electric energy (27)=(22)-(25)	m Kbv.	1579	5683	7262
25	Income tax (28)= 30% of (27)	m Kbv.	474	1705	2179
26	Income (29)= Assigned % of (22)	m Kbv.	1105	3978	5084
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	11769	30050	41820
	RETAIL TARIFF COST COMPONENTS				
28	Power supply				
28a	Energomarket purchases	m Kbv	259168	1987238	2246406
28b	Self-generation				
28c	Sales to Energomarket	m Kbv	1084	81280	82364
28d	Energomarket costs	m Kbv.	6	428	434
28e	Total of self-generation	m. Kbv.	1089	81709	82798
28f	Block stations	m Kbv	0	0	0
28g	Total power supply	m Kbv	260258	2068946	2329204
29	LVNO services	m Kbv	41224	134181	175406
30	LES services	m Kbv	4015	14454	18470
31	Total costs of retail supply	m Kbv	305497	2217582	2523079
32	Gross receipts tax	m Kbv	10099	73308	83408
33	Total costs	m Kbv	315596	2290890	2606487
	RETAIL TARIFF PRICE COMPONENTS				
34	Power supply	Kbv /kWh	4526	4926	4878
35	LVNO services	Kbv /kWh	717	319	367
36	LES services	Kbv./kWh	70	34	39
37	Gross receipts tax	Kbv./kWh	176	175	175
38	Total Price	Kbv /kWh	5489	5455	5459

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Sevastopol City Energo	Crimea Energo	TOTAL
	Purchase price				
39	NDC purchase price				
39a	Effective price from NDC	Kbv/kWh	4,066	3,829	3,856
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(31)	206	179
39d	Quantity	kWh m.	64	493	557
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(1,967)	101,516	99,550
40	Block station purchase price				
40a	Effective price from block stations	Kbv/kWh	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035
40d	Quantity	kWh m	0.00	0 00	0 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	0	0	0
	Sales price				
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21
41d	Self generation	kWh m.	0 27	20.25	20.52
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	6	428	434
	Gross receipts tax				
42a	Existing system	Kbv m	10,061	68,529	78,590
42b	Proposed system	Kbv m	10,099	73,308	83,408
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	38	4,780	4,818
	Profit before tax				
43a	Existing system profit before tax	Kbv m	16,789	3,143	19,933
43b	Proposed system profit before tax	Kbv m			
43c	Generation	Kbv m.	(967)	(15,141)	(16,108)
43d	LVNO services	Kbv m.	19,296	55,243	74,540
43e	LES services	Kbv m.	1,579	5,683	7,262
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m.	19,908	45,786	65,694
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m.	3,118	42,643	45,761
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	1,195	149,367	150,563
	REVENUE CHANGES				
45	Existing system revenue	Kbv m	314,401	2,141,523	2,455,924
46	Proposed system revenue	Kbv m	315,596	2,290,890	2,606,487
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	1,195	149,367	150,563

Oblenergo Financial Results (as provided by Minenergo), July 1995

Lvivnergo

		Units	ACTUAL DATA					
			Ivano-Fran Oblenergo	Volyn Oblenergo	Zakarpattya Oblenergo	Rovno Oblenergo	Lviv Oblenergo	
	1	2	3.3	3 4.	3.5	3.6	3 7	TOTAL
1	Production of electrical energy	m. kWh	43.00		13.70		4.50	61.20
2	Energy supply from buses	m kWh	34.09		13.68		2 60	50.37
3	Useful supply of electric energy	m. kWh	235.00	100 00	98 08	153 00	299 00	885 08
4	Useful supply to internal consumers	m. kWh	235 00	100.00	98 08	153 00	299 00	885.08
5	Manufacturing cost							
	Services of production character	m Kbv	2388	400	1000	562	5172	9522
	Additional materials and raw materials	m. Kbv.	5426	3200	5898	5720	5461	25705
	Fuel from external sources	m. Kbv	85760				4344	90104
	Energy from external sources	m. Kbv	4930	830	900	645	2422	9727
	Labor costs	m. Kbv	19366	15400	14406	14350	29925	93447
	Payments to social security fund	m Kbv	7165	5698	5330	5310	11072	34575
	Payments to employment fund	m Kbv.	387	308	288	287	599	1869
	Payments to Chernobyl fund	m Kbv	2324	1848	1729	1722	3591	11214
	Depreciation for complete	m Kbv	11284	4150	6647	7519	12538	42138
	Spendings for repairs	m. Kbv	8499	2000	0	13824	32571	56894
	Other payments	m Kbv	8538	45050	20000	21141	66836	161565
	credit interest included	m Kbv	93	0	0	0	0	93
	Total production costs	m Kbv	156068	78884	56198	71080	174531	536760
		m. Kbv.						
	Spending for services not included in total product	m Kbv	100	0	0	0	700	800
	Bought energy - total	m Kbv	996462	398302	366165	680172	1289303	3730404
	Manufacturing costs of total commercial product	m. Kbv	1152430	477186	422363	751252	1463134	4266364
		m Kbv						
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	38517	15929	14378	25036	50266	144126
		m Kbv						
	Payments for development of wind energy production (0.5% of total sales)	m Kbv	0	0	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	0	0	0	0	0
		m Kbv						
	Manufacturing cost of commercial product	m Kbv	1190947	493115	436741	776287	1513399	4410490
7	Tax benefits - total	m Kbv.	0	0	0	0	0	0
8	Capital investments	m Kbv	34584	17650	25547	23619	56438	157838
8 1	Depreciation	m Kbv.	11284	4150	6647	7519	12538	42138
8 2	From income	m Kbv	23300	13500	18900	16100	43900	115700
8 3	From income for rural power networks	m. Kbv.	0	0	0	0	0	0
		m Kbv.						
		m. Kbv.						
9	Current spending from income (without capital investment)	m Kbv.						
	including:	m Kbv.						
	- funds directed for production development	m Kbv						
	- social funds	m Kbv						
	- payments to centralized funds	m Kbv						
	- increases in turnover funds	m Kbv						
	- remuneration funds	m Kbv						
	- other purposes	m Kbv						
10	Income	m Kbv	7193	2827	8182	3885	37911	59999
11	Balance income	m Kbv	0	0	0	0	0	0
12	Payments for land	m. Kbv.	1705	446	620	372	2269	5413
13	Income tax	m Kbv.	3813	1403	3772	1825	17220	28033
14	Exports	m Kbv	0	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1203658	497792	449316	782369	1570800	4503935
16	Income from electric energy [Profit before tax & land payment]	m Kbv	12711	4677	12575	6082	57401	93445
17	Energy supply to internal consumers	m Kbv	1203658	497792	449316	782369	1570800	4503935
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5122	4978	4581	5114	5254	5089
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh						
20	Profitability of electric energy	%	1 10%	0.98%	2 98%	0 81%	3 92%	2 19%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5068	4931	4453	5074	5062	4983
	FOR INFORMATION							
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4396	3347	3611	4107	3863	3942
	ENERGY TARIFF APPROVED	Kbv./kWh	4400	3350	3610	4110	3860	3940
	AVERAGE PRICE							
	Energy from block stations	m Kbv	0	0	0	0	0	0
	Energy bought from National Dispatch Center	m Kbv	996462	398302	366165	680172	1289303	3730404
	Energy bought from National Dispatch Center	m kWh	227	119	101	166	334	946
	Profitability	%	-0 92%	-1.85%	-1.50%	-1 33%	0 92%	-0.52%
	Index of tariff increase for electric energy							
	Constant spending for kilowatt hour	Kbv./kWh	463	948	720	628	735	667
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	997392	398650	366054	680616	1288198	3728855

Oblenergo Income Statement (July 1995)

Lvivnergo

			WHOLESALE MARKET COST ALLOCATION					
			Ivano-Fran OEEN	Volyn OEEN	Zakarpattya OEEN	Rovno OEEN	Lviv Oblenergo	
		Units						
1		2	3.1	3.2	3.3	3.4	3.5	TOTAL
1	Total oblenergo operating costs	m Kbv	155968	78884	56198	71080	173831	535960
	GENERATION FUNCTION							
	Allocation of generation costs							
2	Non-fuel generation costs	m. Kbv	10995	0	2807	0	1125	14927
2.1	Fossil	m Kbv.	10995	0	0	0	1125	12120
2.2	Hydro	m Kbv.	0	0	2807	0	0	2807
3	Fuel	m Kbv	85760	0	0	0	4344	90104
4	Total generation costs (4)=(2)+(3)	m. Kbv	96755	0	2807	0	5469	105031
	Generation profit							
5	Revenue	m Kbv	136832	0	54909	0	10436	202177
6	Allocated generation costs (6)=(4)	m. Kbv.	96755	0	2807	0	5469	105031
7	Payments to investment fund, labor safety fund, and road fund	m Kbv.	0	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	40077	0	52103	0	4967	97147
9	Income tax (9)= 30% of (8)	m Kbv	12023	0	15631	0	1490	29144
10	Profit before land payments (10)=(8)-(9)	m Kbv.	28054	0	36472	0	3477	68003
11	Payments for land	m Kbv	386	0	123	0	40	549
12	Generator profit (12)=(10)-(11)	m Kbv	27668	0	36349	0	3437	67454
	LVNO FUNCTION							
13	Revenue requirement	m Kbv	90930	118051	80360	106301	254961	650604
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	59213	78884	53391	71080	168362	430930
15	LVNO costs (15)= 90% of (14)	m Kbv	53291	70996	48052	63972	151526	387837
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	37639	47056	32308	42329	103435	262767
18	Income tax (18)= 30% of (17)	m Kbv.	11292	14117	9692	12699	31031	78830
19	Profit before land payments (19)=(17)-(18)	m Kbv	26347	32939	22616	29630	72405	183937
20	Payments for land	m. Kbv.	1319	446	497	372	2229	4864
21	LVNO profit (21)= Assigned % of (13)	m Kbv	25028	32493	22118	29258	70176	179073
	LES FUNCTION							
22	Revenue	m. Kbv.	9758	13000	8799	11714	27746	71017
23	LES costs (27)= 10% of (14)	m Kbv	5921	7888	5339	7108	16836	43093
24	Income from electric energy (27)=(22)-(25)	m Kbv	3837	5112	3460	4606	10910	27924
25	Income tax (28)= 30% of (27)	m Kbv	1151	1533	1038	1382	3273	8377
26	Income (29)= Assigned % of (22)	m Kbv	2686	3578	2422	3224	7637	19547
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv.	55381	36071	60889	32482	81250	266074
	RETAIL TARIFF COST COMPONENTS							
28	Power supply							
28a	Energomarket purchases	m Kbv	914654	480165	409149	668196	1346601	3818764
28b	Self-generation							
28c	Sales to Energomarket	m Kbv	136832	0	54909	0	10436	202177
28d	Energomarket costs	m Kbv.	721	0	289	0	55	1066
28e	Total of self-generation	m Kbv	137553	0	55199	0	10491	203243
28f	Block stations	m Kbv	16140	0	0	0	11298	27438
28g	Total power supply	m. Kbv	1068347	480165	464348	668196	1368390	4049445
29	LVNO services	m Kbv	90930	118051	80360	106301	254961	650604
30	LES services	m Kbv	9758	13000	8799	11714	27746	71017
31	Total costs of retail supply	m Kbv	1169035	611216	553507	786210	1651097	4771066
32	Gross receipts tax	m Kbv	38646	20206	18298	25990	54582	157721
33	Total costs	m. Kbv.	1207681	631422	571805	812201	1705679	4928787
	RETAIL TARIFF PRICE COMPONENTS							
34	Power supply	Kbv./kWh	4546	4802	4734	4367	4577	4575
35	LVNO services	Kbv./kWh	387	1181	819	695	853	735
36	LES services	Kbv /kWh	42	130	90	77	93	80
37	Gross receipts tax	Kbv /kWh	164	202	187	170	183	178
38	Total Price	Kbv /kWh	5139	6314	5830	5309	5705	5569

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Ivano-Fran OEEN	Volyn OEEN	Zakarpattya OEEN	Rovno OEEN	Lviv Oblenergo	TOTAL
	Purchase price							
39	NDC purchase price							
39a	Effective price from NDC	Kbv/kWh	4,396	3,347	3,611	4,107	3,863	3,942
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(361)	688	424	(72)	172	93
39d	Quantity	kWh m.	227	119	101	166	334	946
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(81,808)	81,863	42,984	(11,976)	57,298	88,360
40	Block station purchase price							
40a	Effective price from block stations	Kbv/kWh	0	0	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035	4,035	4,035	4,035
40d	Quantity	kWh m.	4.00	0 00	0 00	0 00	2 80	6 80
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	16,140	0	0	0	11,298	27,438
	Sales price							
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035	4 035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21	21	21
41d	Self generation	kWh m.	34 09	0 00	13 68	0 00	2 60	50 37
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	721	0	289	0	55	1,066
	Gross receipts tax							
42a	Existing system	Kbv m	38,517	15,929	14,378	25,036	50,266	144,126
42b	Proposed system	Kbv m	38,646	20,206	18,298	25,990	54,582	157,721
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	129	4,276	3,920	955	4,316	13,595
	Profit before tax							
43a	Existing system profit before tax	Kbv m	12,711	4,677	12,575	6,082	57,401	93,445
43b	Proposed system profit before tax	Kbv m						
43c	Generation	Kbv m	40,077	0	52,103	0	4,967	97,147
43d	LVNO services	Kbv m	37,639	47,056	32,308	42,329	103,435	262,767
43e	LES services	Kbv m	3,837	5,112	3,460	4,606	10,910	27,924
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	81,552	52,167	87,871	46,935	119,313	387,838
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	68,841	47,491	75,296	40,853	61,912	294,393
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	4,023	133,630	122,489	29,832	134,879	424,852
	REVENUE CHANGES							
45	Existing system revenue	Kbv m	1,203,658	497,792	449,316	782,369	1,570,800	4,503,935
46	Proposed system revenue	Kbv m	1,207,681	631,422	571,805	812,201	1,705,679	4,928,787
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	4,023	133,630	122,489	29,832	134,879	424,852

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Oblenergo Financial Results (as provided by Minenergo), July 1995

Odessanergo

		Units	ACTUAL DATA			
			Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	
1		2	3.1.	3.2.	3 3.	TOTAL
1	Production of electrical energy	m. kWh	7 60	6 20		13 80
2	Energy supply from buses	m kWh	5 53	4 58		10 11
3	Useful supply of electric energy	m kWh	245 70	292 00	400 00	937 70
4	Useful supply to internal consumers	m kWh	245 70	292 00	400 00	937 70
5	Manufacturing cost					
	Services of production character	m Kbv	1627	425	3280	5332
	Additional materials and raw materials	m Kbv.	4062	2534	5300	11896
	Fuel from external sources	m. Kbv.	46119	18781	6420	71320
	Energy from external sources	m. Kbv.	3104	5664	2390	11158
	Labor costs	m Kbv	19376	19007	33768	72151
	Payments to social security fund	m Kbv.	7169	7033	12494	26696
	Payments to employment fund	m Kbv	388	380	675	1443
	Payments to Chernobyl fund	m Kbv	2325	2281	4052	8658
	Depreciation for complete	m Kbv	7931	7485	10970	26386
	Spendings for repairs	m Kbv	50490	23264	37760	111514
	Other payments	m Kbv	30637	9167	15830	55634
	credit interest included	m Kbv	0	0	0	0
	Total production costs	m Kbv.	173228	96021	132940	402188
		m. Kbv				
	Spending for services not included in total product	m Kbv	4457	3777	11260	19494
	Bought energy - total	m. Kbv.	911334	1191799	1686250	3789383
	Manufacturing costs of total commercial product	m Kbv	1080105	1284043	1807930	4172077
		m. Kbv.				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	35975	42576	60065	138617
		m. Kbv.				
	Payments for development of wind energy production (0 5% of total sales)	m. Kbv	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	0	0	0
		m. Kbv.				
	Manufacturing cost of commercial product	m. Kbv	1116080	1326619	1867995	4310694
7	Tax benefits - total	m Kbv	0	0	0	0
8	Capital investments	m Kbv.	7931	20885	41970	70786
8 1	Depreciation	m Kbv	7931	7485	10970	26386
8 2	From income	m Kbv.		13400	31000	44400
8 3	From income for rural power networks	m Kbv	0	0	0	0
		m Kbv				
		m Kbv.				
9	Current spending from income (without capital investment)	m. Kbv				0
	including	m Kbv				0
	- funds directed for production development	m. Kbv				0
	- social funds	m Kbv				0
	- payments to centralized funds	m Kbv				0
	- increases in turnover funds	m Kbv				0
	- remuneration funds	m. Kbv				0
	- other purposes	m Kbv				0
10	Income	m Kbv	4035	1402	614	6052
11	Balance income	m Kbv	0	0	0	0
12	Payments for land	m Kbv	1660	1320	5720	8700
13	Income tax	m. Kbv	2441	1167	2715	6322
14	Exports	m Kbv	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1124216	1330508	1877044	4331768
16	Income from electric energy [Profit before tax & land payment]	m Kbv	8136	3889	9049	21074
17	Energy supply to internal consumers	m Kbv.	1124216	1330508	1877044	4331768
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	4576	4557	4693	4620
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	0 75%	0.30%	0 50%	0 51%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4542	4543	4670	4597
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	3442	3696	3949	3736
	ENERGY TARIFF APPROVED	Kbv /kWh	3440	3700	3950	3740
	AVERAGE PRICE					
	Energy from block stations	m. Kbv.		0	0	0
	Energy bought from National Dispatch Center	m Kbv	911334	1191799	1686250	3789383
	Energy bought from National Dispatch Center	m kWh	265	322	427	1014
	Profitability	%	0.75%	-0.74%	-1 21%	-0.56%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv./kWh	646	397	438	480
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	910809	1192954	1686650	3793071

Oblenergo Income Statement (July 1995)

Odessanergo

		Units	WHOLESALE MARKET COST ALLOCATION			
			Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	
1		2	3 1	3.2	3 3	TOTAL
1	Total oblenergo operating costs	m Kbv	168771	92244	121680	382694
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m Kbv	1854	1549	0	3404
2.1	Fossil	m Kbv	1649	1549	0	3199
2.2	Hydro	m. Kbv	205	0	0	205
3	Fuel	m. Kbv	46119	18781	6420	71320
4	Total generation costs (4)=(2)+(3)	m Kbv	47973	20330	6420	74724
	Generation profit					
5	Revenue	m. Kbv	22197	18383	0	40580
6	Allocated generation costs (6)=(4)	m Kbv	47973	20330	6420	74724
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	-25777	-1947	-6420	-34144
9	Income tax (9)= 30% of (8)	m Kbv.	-7733	-584	-1926	-10243
10	Profit before land payments (10)=(8)-(9)	m. Kbv.	-18044	-1363	-4494	-23900
11	Payments for land	m Kbv	68	56	0	124
12	Generator profit (12)=(10)-(11)	m Kbv	-18112	-1418	-4494	-24024
	LVNO FUNCTION					
13	Revenue requirement	m Kbv.	182914	109638	184419	476972
14	Total LES/LVNO costs (14)=(1)-(4)	m. Kbv	120798	71913	115260	307971
15	LVNO costs (15)= 90% of (14)	m. Kbv	108718	64722	103734	277174
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	74196	44916	80685	199798
18	Income tax (18)= 30% of (17)	m Kbv	22259	13475	24206	59939
19	Profit before land payments (19)=(17)-(18)	m Kbv	51937	31441	56480	139859
20	Payments for land	m Kbv	1592	1264	5720	8576
21	LVNO profit (21)= Assigned % of (13)	m Kbv	50346	30177	50760	131282
	LES FUNCTION					
22	Revenue	m Kbv	19907	11851	18995	50753
23	LES costs (27)= 10% of (14)	m Kbv	12080	7191	11526	30797
24	Income from electric energy (27)=(22)-(25)	m Kbv.	7828	4660	7469	19956
25	Income tax (28)= 30% of (27)	m Kbv	2348	1398	2241	5987
26	Income (29)= Assigned % of (22)	m. Kbv	5479	3262	5228	13969
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv.	37713	32021	51494	121228
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	1068347	1300965	1722945	4092257
28b	Self-generation					
28c	Sales to Energomarket	m Kbv.	22197	18383	0	40580
28d	Energomarket costs	m. Kbv	117	97	0	214
28e	Total of self-generation	m Kbv	22314	18480	0	40794
28f	Block stations	m Kbv	40350	10895	16140	67385
28g	Total power supply	m Kbv	1131011	1330340	1739085	4200435
29	LVNO services	m Kbv.	182914	109638	184419	476972
30	LES services	m Kbv	19907	11851	18995	50753
31	Total costs of retail supply	m Kbv	1333832	1451829	1942499	4728160
32	Gross receipts tax	m Kbv	44094	47994	64215	156303
33	Total costs	m. Kbv.	1377926	1499823	2006714	4884463
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv /kWh	4603	4556	4348	4480
35	LVNO services	Kbv./kWh	744	375	461	509
36	LES services	Kbv /kWh	81	41	47	54
37	Gross receipts tax	Kbv /kWh	179	164	161	167
38	Total Price	Kbv /kWh	5608	5136	5017	5209

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	TOTAL
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	3,442	3,696	3,949	3,736
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	593	339	86	299
39d	Quantity	kWh m	265	322	427	1,014
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	157,013	109,166	36,695	302,874
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	4,035	4,035	4,035
40d	Quantity	kWh m	10 00	2.70	4 00	16 70
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	40,350	10,895	16,140	67,385
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21
41d	Self generation	kWh m.	5.53	4.58	0 00	10.11
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	117	97	0	214
	Gross receipts tax					
42a	Existing system	Kbv m	35,975	42,576	60,065	138,617
42b	Proposed system	Kbv m	44,094	47,994	64,215	156,303
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	8,119	5,418	4,149	17,686
	Profit before tax					
43a	Existing system profit before tax	Kbv m	8,136	3,889	9,049	21,074
43b	Proposed system profit before tax	Kbv m				
43c	Generation	Kbv m	(25,777)	(1,947)	(6,420)	(34,144)
43d	LVNO services	Kbv m	74,196	44,916	80,685	199,798
43e	LES services	Kbv m	7,828	4,660	7,469	19,956
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m.	56,247	47,629	81,734	185,611
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	48,111	43,740	72,685	164,537
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	253,710	169,315	129,670	552,695
	REVENUE CHANGES					
45	Existing system revenue	Kbv m	1,124,216	1,330,508	1,877,044	4,331,768
46	Proposed system revenue	Kbv m	1,377,926	1,499,823	2,006,714	4,884,463
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m.	253,710	169,315	129,670	552,695

Oblenergo Financial Results (as provided by Minenergo), July 1995

Kharkovenergo

		Units	ACTUAL DATA			
			Poltava Oblenergo	Sumi Oblenergo	Kharkhov Oblenergo	
1		2	3 3	3 4	3.5	TOTAL
1	Production of electrical energy	m. kWh	54 00	3 00	149.00	206 00
2	Energy supply from buses	m. kWh	45 60	2.68	137 50	185 78
3	Useful supply of electric energy	m kWh	355 00	174 00	440 00	969 00
4	Useful supply to internal consumers	m. kWh	355 00	174 00	440 00	969 00
5	Manufacturing cost					
	Services of production character	m Kbv.	3765	2985	23800	30550
	Additional materials and raw materials	m Kbv.	14365	10208	15800	40373
	Fuel from external sources	m. Kbv.	150319	14359	488198	652876
	Energy from external sources	m. Kbv.	3747	2270	14950	20967
	Labor costs	m Kbv	28239	22514	56643	107397
	Payments to social security fund	m Kbv.	10449	8330	20958	39737
	Payments to employment fund	m Kbv.	565	450	1133	2148
	Payments to Chernobyl fund	m Kbv	3389	2702	6797	12888
	Depreciation for complete	m. Kbv.	9663	6072	9315	25050
	Spendings for repairs	m Kbv.	0	0	0	0
	Other payments	m. Kbv	81949	75846	121498	279293
	credit interest included	m Kbv	0	0	83402	83402
	Total production costs	m. Kbv	306449	145736	759092	1211278
		m Kbv				
	Spending for services not included in total product	m Kbv	2700	3200	7100	13000
	Bought energy - total	m. Kbv	1357568	602162	1352986	3312716
	Manufacturing costs of total commercial product	m Kbv	1661317	744698	2104978	4510994
		m Kbv				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	57370	27236	69698	154304
		m Kbv				
	Payments for development of wind energy production (0 5% of total sales)	m Kbv	0	0	0	0
	Payments for exhausts within limits	m Kbv	0	0	210	210
		m Kbv				
	Manufacturing cost of commercial product	m Kbv	1718688	771934	2174886	4665508
7	Tax benefits - total	m. Kbv	0	0	0	0
8	Capital investments	m. Kbv.	61163	34872	116715	212750
8 1	Depreciation	m Kbv.	9663	6072	9315	25050
8 2	From income	m. Kbv	51500	28800	107400	187700
8 3	From income for rural power networks	m. Kbv.	0	0	0	0
		m. Kbv.				
		m Kbv.				
9	Current spending from income (without capital investment)	m Kbv		25736		25736
	including	m Kbv				0
	- funds directed for production development	m. Kbv				0
	- social funds	m Kbv.				0
	- payments to centralized funds	m Kbv.				0
	- increases in turnover funds	m Kbv				0
	- remuneration funds	m Kbv				0
	- other purposes	m Kbv				0
10	Income	m Kbv	49780	54536	65	104380
11	Balance income	m. Kbv	0	0	0	0
12	Payments for land	m Kbv	2115	900	2160	5175
13	Income tax	m. Kbv	22241	23758	953	46952
14	Exports	m. Kbv	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1792823	851128	2178064	4822015
16	Income from electric energy [Profit before tax & land payment]	m. Kbv	74135	79194	3178	156507
17	Energy supply to internal consumers	m Kbv	1792823	851128	2178064	4822015
18	Tariff for internal consumers [Average revenue]	Kbv./kWh	5050	4892	4950	4976
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	4 46%	10 63%	0 15%	3 47%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4841	4436	4943	4815
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4139	3099	3921	3824
	ENERGY TARIFF APPROVED	Kbv /kWh	4140	3100	3920	3820
	AVERAGE PRICE					
	Energy from block stations	m Kbv.	0	19500	8200	27700
	Energy bought from National Dispatch Center	m Kbv.	1357568	582662	1344786	3285016
	Energy bought from National Dispatch Center	m kWh	328.00	188 02	343 00	859.02
	Profitability	%	1.36%	6 77%	-4.95%	-0.69%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv /kWh	594	893	758	722
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv.	1357920	582862	1344560	3281456

Oblenergo Income Statement (July 1995)

Kharkovenergo

		Units	WHOLESALE MARKET COST ALLOCATION			
			Poltava Oblenergo	Sumi Oblenergo	Kharkhov Oblenergo	
	1	2	3.1	3 2	3 3	TOTAL
1	Total oblenergo operating costs	m. Kbv	303749	142536	752202	1198488
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m Kbv	13494	750	37235	51479
2 1	Fossil	m Kbv.	13494	750	37235	51479
2 2	Hydro	m Kbv	0	0	0	0
3	Fuel	m. Kbv.	150319	14359	488198	652876
4	Total generation costs (4)=(2)+(3)	m. Kbv	163813	15109	525433	704355
	Generation profit					
5	Revenue	m Kbv	183031	10757	551904	745692
6	Allocated generation costs (6)=(4)	m. Kbv.	163813	15109	525433	704355
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv.	19218	-4352	26471	41337
9	Income tax (9)= 30% of (8)	m Kbv.	5765	-1305	7941	12401
10	Profit before land payments (10)=(8)-(9)	m Kbv	13453	-3046	18530	28936
11	Payments for land	m Kbv	484	27	1336	1847
12	Generator profit (12)=(10)-(11)	m Kbv	12968	-3073	17193	27089
	LVNO FUNCTION					
13	Revenue requirement	m Kbv.	211392	191056	338283	740730
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	139936	127428	226769	494133
15	LVNO costs (15)= 90% of (14)	m. Kbv	125942	114685	204092	444720
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv	85449	76371	134190	296010
18	Income tax (18)= 30% of (17)	m Kbv.	25635	22911	40257	88803
19	Profit before land payments (19)=(17)-(18)	m Kbv	59814	53460	93933	207207
20	Payments for land	m. Kbv.	1631	873	824	3328
21	LVNO profit (21)= Assigned % of (13)	m. Kbv.	58184	52586	93109	203880
	LES FUNCTION					
22	Revenue	m. Kbv.	23061	21000	37371	81433
23	LES costs (27)= 10% of (14)	m Kbv	13994	12743	22677	49413
24	Income from electric energy (27)=(22)-(25)	m Kbv	9068	8257	14695	32020
25	Income tax (28)= 30% of (27)	m Kbv.	2720	2477	4408	9606
26	Income (29)= Assigned % of (22)	m Kbv	6347	5780	10286	22414
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	77499	55293	120589	253382
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	1323480	758661	1384005	3466146
28b	Self-generation					
28c	Sales to Energomarket	m Kbv	183031	10757	551904	745692
28d	Energomarket costs	m. Kbv	965	57	2909	3930
28e	Total of self-generation	m. Kbv	183996	10814	554813	749622
28f	Block stations	m Kbv	0	104910	60525	165435
28g	Total power supply	m. Kbv.	1507476	874385	1999343	4381203
29	LVNO services	m Kbv.	211392	191056	338283	740730
30	LES services	m Kbv	23061	21000	37371	81433
31	Total costs of retail supply	m Kbv	1741929	1086440	2374997	5203366
32	Gross receipts tax	m Kbv	57584	35915	78512	172012
33	Total costs	m Kbv	1799514	1122355	2453509	5375378
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv /kWh	4246	5025	4544	4521
35	LVNO services	Kbv /kWh	595	1098	769	764
36	LES services	Kbv./kWh	65	121	85	84
37	Gross receipts tax	Kbv /kWh	162	206	178	178
38	Total Price	Kbv./kWh	5069	6450	5576	5547

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Poltava Oblenergo	Sumi Oblenergo	Kharkhov Oblenergo	TOTAL
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	4,139	3,099	3,921	3,824
39b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(104)	936	114	211
39d	Quantity	kWh m	328	188	343	859
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m.	(34,088)	175,999	39,219	181,130
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	750	547	676
40b	Price from Energomarket	Kbv/kWh	4,035	4,035	4,035	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,035	3,285	3,488	3,359
40d	Quantity	kWh m	0.00	26.00	15 00	41 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	0	85,410	52,325	137,735
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,035	4,035	4,035	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014	4,014	4,014	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21	21	21	21
41d	Self generation	kWh m	45 60	2 68	137 50	185 78
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	965	57	2,909	3,930
	Gross receipts tax					
42a	Existing system	Kbv m	57,370	27,236	69,698	154,304
42b	Proposed system	Kbv m	57,584	35,915	78,512	172,012
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	214	8,679	8,814	17,708
	Profit before tax					
43a	Existing system profit before tax	Kbv m.	74,135	79,194	3,178	156,507
43b	Proposed system profit before tax	Kbv m				
43c	Generation	Kbv m.	19,218	(4,352)	26,471	41,337
43d	LVNO services	Kbv m	85,449	76,371	134,190	296,010
43e	LES services	Kbv m	9,068	8,257	14,695	32,020
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	113,735	80,276	175,356	369,367
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	39,600	1,083	172,178	212,861
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	6,691	271,227	275,445	553,363
	REVENUE CHANGES					
45	Existing system revenue	Kbv m	1,792,823	851,128	2,178,064	4,822,015
46	Proposed system revenue	Kbv m	1,799,514	1,122,355	2,453,509	5,375,378
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m.	6,691	271,227	275,445	553,363

Sum of All Oblenergos

		Units	TOTAL
	1	2	3
1	Production of electrical energy	m. kWh	768
2	Energy supply from buses	m. kWh	665
3	Useful supply of electric energy	m kWh	11015
4	Useful supply to internal consumers	m kWh	11015
5	Manufacturing cost		
	Services of production character	m. Kbv	148811
	Additional materials and raw materials	m Kbv.	245867
	Fuel from external sources	m Kbv.	2017837
	Energy from external sources	m Kbv	109529
	Labor costs	m Kbv	709882
	Payments to social security fund	m Kbv	262656
	Payments to employment fund	m Kbv	14198
	Payments to Chernobyl fund	m Kbv.	85186
	Depreciation for complete	m Kbv	357691
	Spendings for repairs	m. Kbv	547389
	Other payments	m Kbv.	986298
	credit interest included	m Kbv	161439
	Total production costs	m Kbv	5485344
	Spending for services not included in total product	m Kbv.	83023
	Bought energy - total	m Kbv.	44606107
	Manufacturing costs of total commercial product	m Kbv.	50008428
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m. Kbv	1741642
	Payments for development of wind energy production (0.5% of total sales)	m Kbv	0
	Payments for exhausts within limits	m. Kbv	275
	Manufacturing cost of commercial product	m Kbv	51750346
7	Tax benefits - total	m. Kbv.	0
8	Capital investments	m. Kbv	1292291
8 1	Depreciation	m Kbv.	357691
8 2	From income	m Kbv	934600
8 3	From income for rural power networks	m Kbv	0
9	Current spending from income (without capital investment)	m. Kbv	1265248
	including	m. Kbv	0
	- funds directed for production development	m Kbv.	0
	- social funds	m. Kbv	0
	- payments to centralized funds	m Kbv	0
	- increases in turnover funds	m Kbv	0
	- remuneration funds	m Kbv	0
	- other purposes	m Kbv	0
10	Income	m Kbv	1807305
11	Balance income	m Kbv	0
12	Payments for land	m Kbv	65873
13	Income tax	m Kbv	802790
14	Exports	m Kbv.	0
15	Sales of electric energy (services) [Revenue]	m. Kbv	54426313
16	Income from electric energy [Profit before tax & land payment]	m Kbv	2675967
17	Energy supply to internal consumers	m Kbv	54426313
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	4941
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh	
20	Profitability of electric energy	%	5 35%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	4698
	FOR INFORMATION		
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	3990
	ENERGY TARIFF APPROVED	Kbv./kWh	3990
	AVERAGE PRICE		
	Energy from block stations	m Kbv.	159100
	Energy bought from National Dispatch Center	m Kbv.	44447007
	Energy bought from National Dispatch Center	m kWh	11140.35
	Profitability	%	3 48%
	Index of tariff increase for electric energy		
	Constant spending for kilowatt hour	Kbv /kWh	465
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	44449997

Oblenergo Income Statement (July 1995)

Sum of All Oblenergos

		Units	TOTAL
	1	2	3
1	Total oblenergo operating costs	m. Kbv	5402597
	GENERATION FUNCTION		
	Allocation of generation costs		
2	Non-fuel generation costs	m Kbv	190247
2 1	Fossil	m. Kbv	185908
2 2	Hydro	m Kbv	4339
3	Fuel	m. Kbv	2017837
4	Total generation costs (4)=(2)+(3)	m. Kbv	2208084
	Generation profit		
5	Revenue	m. Kbv.	2673421
6	Allocated generation costs (6)=(4)	m. Kbv.	2208084
7	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv.	465337
9	Income tax (9)= 30% of (8)	m Kbv	139601
10	Profit before land payments (10)=(8)-(9)	m. Kbv	325736
11	Payments for land	m. Kbv	6151
12	Generator profit (12)=(10)-(11)	m Kbv.	319585
	LVNO FUNCTION		
13	Revenue requirement	m Kbv	4878688
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv.	3194513
15	LVNO costs (15)= 90% of (14)	m Kbv	2875061
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv.	2003627
18	Income tax (18)= 30% of (17)	m Kbv	601088
19	Profit before land payments (19)=(17)-(18)	m Kbv.	1402539
20	Payments for land	m Kbv	59721
21	LVNO profit (21)= Assigned % of (13)	m. Kbv	1342818
	LES FUNCTION		
22	Revenue	m Kbv	526454
23	LES costs (27)= 10% of (14)	m Kbv	319451
24	Income from electric energy (27)=(22)-(25)	m Kbv	207003
25	Income tax (28)= 30% of (27)	m. Kbv	62101
26	Income (29)= Assigned % of (22)	m. Kbv	144902
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv	1807305
	RETAIL TARIFF COST COMPONENTS		
28	Power supply		
28a	Energomarket purchases	m Kbv	44951312
28b	Self-generation		
28c	Sales to Energomarket	m Kbv	2673421
28d	Energomarket costs	m Kbv	14090
28e	Total of self-generation	m. Kbv.	2687512
28f	Block stations	m Kbv.	1194360
28g	Total power supply	m Kbv	48833184
29	LVNO services	m Kbv	4878688
30	LES services	m. Kbv	526454
31	Total costs of retail supply	m Kbv	54238327
32	Gross receipts tax	m Kbv	1793003
33	Total costs	m Kbv	56031329
	RETAIL TARIFF PRICE COMPONENTS		
34	Power supply	Kbv./kWh	4433
35	LVNO services	Kbv /kWh	443
36	LES services	Kbv /kWh	48
37	Gross receipts tax	Kbv /kWh	163
38	Total Price	Kbv /kWh	5087

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		
	Purchase price		
39	NDC purchase price		
39a	Effective price from NDC	Kbv/kWh	3,990
39b	Price from Energomarket	Kbv/kWh	4,035
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	45
39d	Quantity	kWh m.	11,140
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	504,305
40	Block station purchase price		
40a	Effective price from block stations	Kbv/kWh	538
40b	Price from Energomarket	Kbv/kWh	4,035
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	3,498
40d	Quantity	kWh m	296
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	1,035,260
	Sales price		
41a	Pool sales price (PSP)	Kbv/kWh	4,035
41b	Pool purchase price (PPP)	Kbv/kWh	4,014
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	21
41d	Self generation	kWh m	666
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m.	14,090
	Gross receipts tax		
42a	Existing system	Kbv m.	1,741,642
42b	Proposed system	Kbv m	1,793,003
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	51,361
	Profit before tax		
43a	Existing system profit before tax	Kbv m.	2,675,967
43b	Proposed system profit before tax	Kbv m	
43c	Generation	Kbv m	465,337
43d	LVNO services	Kbv m	2,003,627
43e	LES services	Kbv m	207,003
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	2,675,967
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m.	(0)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m.	1,605,016
	REVENUE CHANGES		
45	Existing system revenue	Kbv m	54,426,313
46	Proposed system revenue	Kbv m	56,031,329
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	1,605,016

Oblenergo Financial Results (as provided by Minenergo), August 1995

Vinnytsiaenergo

		Units	ACTUAL DATA				
			Khmelnytsky Oblenergo	Ternopil Oblenergo	Chernivtsi Oblenergo	Vinnytsia Oblenergo	
1		2	3.2.	3.3	3 4	3 5	TOTAL
1	Production of electrical energy	m kWh	0.30	1.00		3 10	4 4
2	Energy supply from buses	m kWh	0 297	0.99	-0 11	2 815	3 992
3	Useful supply of electric energy	m kWh	170 50	101 00	68 00	223 50	563
4	Useful supply to internal consumers	m kWh	170.50	101.00	68 00	223 50	563
5	Manufacturing cost						
	Services of production character	m Kbv	210	600	100	2393	3303
	Additional materials and raw materials	m Kbv	5900	60000	1500	6944	74344
	Fuel from external sources	m Kbv				809	809
	Energy from external sources	m Kbv	4000	880	1842	2500	9222
	Labor costs	m Kbv.	42202	30492	24081	60206	156981
	Payments to social security fund	m Kbv	15615	11282	8910	22276	58083
	Payments to employment fund	m Kbv.	844	610	482	1204	3140
	Payments to Chernobyl fund	m Kbv.	5064	3659	2890	7225	18838
	Depreciation for complete	m Kbv.	8272	11400	15600	11211	46483
	Spendings for repairs	m Kbv	7340	3750	5784	12865	29739
	Other payments	m Kbv	10975	4550	579	86497	102601
	credit interest included	m Kbv	0	0	0	60265	60265
	Total production costs	m Kbv	100422	127223	61767	214130	503542
	Spending for services not included in total product	m Kbv	0	0	0	50	50
	Bought energy - total	m. Kbv	754075	358989	275383	871649	2260096
	Manufacturing costs of total commercial product	m Kbv	854497	486212	337150	1085729	2763588
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	30623	16982	11720	40893	100219
	Payments for development of wind energy production (0.5% of total sales)	m Kbv.	0	0	0	0	0
	Payments for exhausts within limits	m Kbv	0	0	2	0	2
	Manufacturing cost of commercial product	m Kbv	885120	503194	348872	1126622	2863809
7	Tax benefits - total	m Kbv.	0	0	0	0	0
8	Capital investments	m Kbv	14272	16950	18300	44811	94333
8 1	Depreciation	m Kbv	8272	11400	15600	11211	46483
8 2	From income	m Kbv	6000	5550	2700	33600	47850
8 3	From income for rural power networks	m. Kbv	0	0	0	0	0
9	Current spending from income (without capital investment)	m Kbv	43277	13148	9071	71299	136795
	including	m. Kbv					
	- funds directed for production development	m Kbv.					
	- social funds	m Kbv	7000	5600	3838	8400	
	- payments to centralized funds	m Kbv.	13277	7548	5233	16899	
	- increases in turnover funds	m Kbv					
	- remuneration funds	m Kbv.					
	- other purposes	m. Kbv	23000			46000	
10	Income	m Kbv	48837	18464	11604	104468	183372
11	Balance income	m Kbv	71860	27491	17376	151296	268023
12	Payments for land	m Kbv	1465	780	560	1440	4245
13	Income tax	m Kbv	21558	8247	5213	45389	80407
14	Exports	m Kbv.	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m. Kbv	956980	530685	366249	1277919	3131833
16	Income from electric energy [Profit before tax & land payment]	m. Kbv.	71860	27491	17377	151297	268024
17	Energy supply to internal consumers	m Kbv	956980	530685	366249	1277919	3131833
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5613	5254	5386	5718	5563
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh					
20	Profitability of electric energy	%	8.41%	5 65%	5.15%	13 94%	9 70%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5191	4982	5130	5041	5087
	FOR INFORMATION						
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4045	3355	3657	3546	3678
	ENERGY TARIFF APPROVED	Kbv /kWh	4050	3350	3660	3550	3680
	AVERAGE PRICE						
	Energy from block stations	m Kbv	0	0	0	0	0
	Energy bought from National Dispatch Center	m. Kbv	754075	358989	275383	871649	2260096
	Energy bought from National Dispatch Center	m kWh	186 403	107 01	75.31	245 785	615
	Profitability	%	7 71%	4 51%	4.35%	10 84%	7.97%
	Index of tariff increase for electric energy						
	Constant spending for kilowatt hour	Kbv /kWh	769	1428	1081	1137	1071
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	754932	358484	275635	872537	2261389

Oblenergo Income Statement (August 1995)

Vinnytsiaenergo

		Units	WHOLESALE MARKET COST ALLOCATION				
			Khmelnytsky Oblenergo	Ternopil OEEN	Chernivtsi OEEN	Vinnytsia Oblenergo	
	1	2	3 1	3.2	3.3	3 4	TOTAL
1	Total oblenergo operating costs	m. Kbv.	100422	127223	61769	214080	503494
	GENERATION FUNCTION						
	Allocation of generation costs						
2	Non-fuel generation costs	m Kbv.	76	253	0	790	1119
2 1	Fossil	m. Kbv.	0	0	0	153	153
2.2	Hydro	m. Kbv.	76	253	0	637	966
3	Fuel	m. Kbv.	0	0	0	809	809
4	Total generation costs (4)=(2)+(3)	m Kbv	76	253	0	1599	1928
	Generation profit						
5	Revenue	m Kbv.	1326	4419	0	12564	18309
6	Allocated generation costs (6)=(4)	m Kbv.	76	253	0	1599	1928
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	1250	4166	0	10965	16381
9	Income tax (9)= 30% of (8)	m Kbv	375	1250	0	3290	4914
10	Profit before land payments (10)=(8)-(9)	m Kbv	875	2916	0	7676	11467
11	Payments for land	m Kbv	2	6	0	19	27
12	Generator profit (12)=(10)-(11)	m Kbv	873	2910	0	7657	11440
	LVNO FUNCTION						
13	Revenue requirement	m Kbv	142787	178293	87142	298646	706868
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	100346	126970	61769	212481	501567
15	LVNO costs (15)= 90% of (14)	m. Kbv	90312	114273	55592	191233	451410
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv.	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	52475	64020	31550	107413	255458
18	Income tax (18)= 30% of (17)	m. Kbv	15743	19206	9465	32224	76637
19	Profit before land payments (19)=(17)-(18)	m Kbv.	36733	44814	22085	75189	178821
20	Payments for land	m Kbv.	1463	774	560	1421	4218
21	LVNO profit (21)= Assigned % of (13)	m Kbv.	35270	44040	21525	73768	174603
	LES FUNCTION						
22	Revenue	m Kbv	15506	19620	9545	32834	77506
23	LES costs (27)= 10% of (14)	m Kbv.	10035	12697	6177	21248	50157
24	Income from electric energy (27)=(22)-(25)	m Kbv	5472	6923	3368	11586	27350
25	Income tax (28)= 30% of (27)	m. Kbv	1642	2077	1010	3476	8205
26	Income (29)= Assigned % of (22)	m. Kbv	3830	4846	2358	8110	19145
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	39973	51796	23883	89536	205187
	RETAIL TARIFF COST COMPONENTS						
28	Power supply						
28a	Energomarket purchases	m Kbv.	849252	487538	343112	1119796	2799698
28b	Self-generation						
28c	Sales to Energomarket	m. Kbv.	1326	4419	0	12564	18309
28d	Energomarket costs	m Kbv.	28	92	0	261	380
28e	Total of self-generation	m Kbv	1353	4510	0	12825	18689
28f	Block stations	m Kbv	0	0	0	11390	11390
28g	Total power supply	m Kbv.	850605	492048	343112	1144012	2829777
29	LVNO services	m Kbv	142787	178293	87142	298646	706868
30	LES services	m Kbv	15506	19620	9545	32834	77506
31	Total costs of retail supply	m Kbv	1008898	689961	439800	1475492	3614152
32	Gross receipts tax	m Kbv	33352	22809	14539	48777	119476
33	Total costs	m Kbv	1042250	712770	454338	1524269	3733628
	RETAIL TARIFF PRICE COMPONENTS						
34	Power supply	Kbv /kWh	4989	4872	5046	5119	5026
35	LVNO services	Kbv /kWh	837	1765	1282	1336	1256
36	LES services	Kbv /kWh	91	194	140	147	138
37	Gross receipts tax	Kbv /kWh	196	226	214	218	212
38	Total Price	Kbv /kWh	6113	7057	6681	6820	6632

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Khmelnytsky Oblenergo	Ternopil OEEN	Chernivtsi OEEN	Vinnytsia Oblenergo	TOTAL
	Purchase price						
39	NDC purchase price						
39a	Effective price from NDC	Kbv/kWh	4,045	3,355	3,657	3,546	3,678
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	511	1,201	899	1,010	878
39d	Quantity	kWh m.	186	107	75	246	615
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	95,177	128,549	67,729	248,147	539,602
40	Block station purchase price						
40a	Effective price from block stations	Kbv/kWh	0	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556	4,556	4,556
40d	Quantity	kWh m	0 00	0 00	0 00	2 50	2 50
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	0	0	0	11,390	11,390
	Sales price						
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93	93
41d	Self generation	kWh m	0.30	0 99	0 00	2 82	4 10
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	28	92	0	261	380
	Gross receipts tax						
42a	Existing system	Kbv m	30,623	16,982	11,720	40,893	100,219
42b	Proposed system	Kbv m	33,352	22,809	14,539	48,777	119,476
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	2,729	5,827	2,819	7,883	19,257
	Profit before tax						
43a	Existing system profit before tax	Kbv m	71,860	27,491	17,377	151,297	268,024
43b	Proposed system profit before tax	Kbv m					
43c	Generation	Kbv m	1,250	4,166	0	10,965	16,381
43d	LVNO services	Kbv m	52,475	64,020	31,550	107,413	255,458
43e	LES services	Kbv m	5,472	6,923	3,368	11,586	27,350
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	59,197	75,109	34,918	129,965	299,189
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	(12,663)	47,618	17,541	(21,331)	31,165
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	85,270	182,085	88,089	246,350	601,795
	REVENUE CHANGES						
45	Existing system revenue	Kbv m	956,980	530,685	366,249	1,277,919	3,131,833
46	Proposed system revenue	Kbv m	1,042,250	712,770	454,338	1,524,269	3,733,628
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m.	85,270	182,085	88,089	246,350	601,795

Oblenergo Financial Results (as provided by Minenergo), August 1995

Dniproenergo

		Units	ACTUAL DATA			
			Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	
	1	2	3.2	3.3	3 4	TOTAL
1	Production of electrical energy	m. kWh		1.00		1 00
2	Energy supply from buses	m. kWh		0.98		0 98
3	Useful supply of electric energy	m. kWh	1990.00	210 00	940	3140
4	Useful supply to internal consumers	m kWh	1990 00	210 00	940	3140
5	Manufacturing cost					
	Services of production character	m. Kbv	4700	2150	2300	9150
	Additional materials and raw materials	m Kbv.	8500	10000	7600	26100
	Fuel from external sources	m. Kbv	9400	5405	6071	20876
	Energy from external sources	m Kbv	3650	5785	4535	13970
	Labor costs	m Kbv	93590	44816	60900	199306
	Payments to social security fund	m Kbv	34628	16582	22533	73743
	Payments to employment fund	m. Kbv	1872	896	1218	3986
	Payments to Chernobyl fund	m. Kbv	11231	5378	7308	23917
	Depreciation for complete	m. Kbv.	25381	22540	18806	66727
	Spendings for repairs	m Kbv.	16300	74500	106970	197770
	Other payments	m Kbv	82289	64858	122929	270076
	credit interest included	m. Kbv	0	0	0	0
	Total production costs	m. Kbv	291541	252910	361170	905621
		m. Kbv.				
	Spending for services not included in total product	m Kbv	0	0	0	0
	Bought energy - total	m Kbv	10161785	796893	4562069	15520747
	Manufacturing costs of total commercial product	m. Kbv	10453326	1049803	4923239	16426368
		m Kbv				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	355778	36802	169061	561641
		m Kbv				
	Payments for development of wind energy production (0 5% of total sales)	m Kbv	0	0	0	0
	Payments for exhausts within limits	m Kbv	27	0	12	39
		m Kbv.				
	Manufacturing cost of commercial product	m Kbv	10809131	1086605	5092312	16988048
7	Tax benefits - total	m Kbv	0	0	0	0
8	Capital investments	m Kbv.	39481	31240	49256	119977
8 1	Depreciation	m. Kbv	25381	22540	18806	66727
8 2	From income	m Kbv	14100	8700	30450	53250
8 3	From income for rural power networks	m Kbv	0	0	0	0
		m Kbv				
		m. Kbv				
9	Current spending from income (without capital investment)	m Kbv	188031	32107	97724	317862
	including:	m. Kbv				
	- funds directed for production development	m. Kbv				
	- social funds	m Kbv	30132			
	- payments to centralized funds	m. Kbv	162137			
	- increases in turnover funds	m Kbv				
	- remuneration funds	m Kbv				
	- other purposes	m Kbv				
10	Income	m. Kbv.	202131	40807	128174	371112
11	Balance income	m Kbv	308941	63455	190830	563226
12	Payments for land	m Kbv	14128	3611	5407	23146
13	Income tax	m Kbv.	92682	19036	57249	168968
14	Exports	m Kbv.	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	11118072	1150060	5283141	17551273
16	Income from electric energy [Profit before tax & land payment]	m Kbv	308941	63455	190829	563225
17	Energy supply to internal consumers	m Kbv	11118072	1150060	5283141	17551273
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5587	5476	5620	5590
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	2 96%	6.04%	3 88%	3 43%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5432	5174	5417	5410
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4974	3542	4635	4772
	ENERGY TARIFF APPROVED	Kbv /kWh	4970	3540	4630	4770
	AVERAGE PRICE					
	Energy from block stations	m Kbv	0	0	0	0
	Energy bought from National Dispatch Center	m Kbv	10161785	796893	4562069	15520747
	Energy bought from National Dispatch Center	m kWh	2043	225	984 3	3252
	Profitability	%	2.82%	5.22%	3.26%	3.10%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv./kWh	321	1354	558	461
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	10153710	796500	4557309	15513471

Oblenergo Income Statement (August 1995)

Dniproenergo

		Units	WHOLESALE MARKET COST ALLOCATION			
			Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	
1		2	3 1	3 2	3 3	TOTAL
1	Total oblenergo operating costs	m Kbv	291568	252910	361182	905660
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m Kbv.	0	253	0	253
2 1	Fossil	m Kbv	0	0	0	0
2 2	Hydro	m Kbv	0	253	0	253
3	Fuel	m Kbv	9400	5405	6071	20876
4	Total generation costs (4)=(2)+(3)	m Kbv.	9400	5658	6071	21129
	Generation profit					
5	Revenue	m Kbv.	0	4374	0	4374
6	Allocated generation costs (6)=(4)	m. Kbv	9400	5658	6071	21129
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	-9400	-1284	-6071	-16755
9	Income tax (9)= 30% of (8)	m Kbv	-2820	-385	-1821	-5026
10	Profit before land payments (10)=(8)-(9)	m Kbv	-6580	-899	-4250	-11728
11	Payments for land	m Kbv.	0	6	0	6
12	Generator profit (12)=(10)-(11)	m Kbv	-6580	-905	-4250	-11734
	LVNO FUNCTION					
13	Revenue requirement	m Kbv.	423615	351825	505809	1281248
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	282168	247252	355111	884531
15	LVNO costs (15)= 90% of (14)	m Kbv	253951	222527	319600	796078
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv	169663	129298	186209	485170
18	Income tax (18)= 30% of (17)	m. Kbv	50899	38789	55863	145551
19	Profit before land payments (19)=(17)-(18)	m Kbv	118764	90509	130346	339619
20	Payments for land	m Kbv	14128	3605	5407	23140
21	LVNO profit (21)= Assigned % of (13)	m Kbv	104636	86904	124939	316479
	LES FUNCTION					
22	Revenue	m. Kbv.	43603	38207	54875	136685
23	LES costs (27)= 10% of (14)	m. Kbv.	28217	24725	35511	88453
24	Income from electric energy (27)=(22)-(25)	m Kbv	15386	13482	19364	48232
25	Income tax (28)= 30% of (27)	m Kbv	4616	4045	5809	14470
26	Income (29)= Assigned % of (22)	m Kbv	10770	9438	13555	33762
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv.	108827	95437	134244	338507
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	9307908	1025100	4484471	14817479
28b	Self-generation					
28c	Sales to Energomarket	m Kbv	0	4374	0	4374
28d	Energomarket costs	m Kbv	0	91	0	91
28e	Total of self-generation	m Kbv.	0	4465	0	4465
28f	Block stations	m Kbv	364480	22780	45560	432820
28g	Total power supply	m Kbv	9672388	1052345	4530031	15254764
29	LVNO services	m Kbv	423615	351825	505809	1281248
30	LES services	m Kbv	43603	38207	54875	136685
31	Total costs of retail supply	m Kbv	10139606	1442378	5090714	16672697
32	Gross receipts tax	m Kbv	335194	47682	168288	551164
33	Total costs	m Kbv.	10474799	1490060	5259002	17223861
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv /kWh	4860	5011	4819	4858
35	LVNO services	Kbv /kWh	213	1675	538	408
36	LES services	Kbv /kWh	22	182	58	44
37	Gross receipts tax	Kbv /kWh	168	227	179	176
38	Total Price	Kbv /kWh	5264	7096	5595	5485

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Dnipro Oblenergo	Kirovograd Oblenergo	Zaporozhye Oblenergo	TOTAL
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	4,974	3,542	4,635	4,772
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(418)	1,014	(79)	(216)
39d	Quantity	kWh m.	2,043	225	984	3,252
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(853,877)	228,207	(77,598)	(703,268)
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556	4,556
40d	Quantity	kWh m	80.00	5 00	10.00	95 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	364,480	22,780	45,560	432,820
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93
41d	Self generation	kWh m.	0.00	0.98	0 00	0 98
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	0	91	0	91
	Gross receipts tax					
42a	Existing system	Kbv m	355,778	36,802	169,061	561,641
42b	Proposed system	Kbv m	335,194	47,682	168,288	551,164
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m.	(20,585)	10,880	(772)	(10,477)
	Profit before tax					
43a	Existing system profit before tax	Kbv m	308,941	63,455	190,829	563,225
43b	Proposed system profit before tax	Kbv m.				
43c	Generation	Kbv m.	(9,400)	(1,284)	(6,071)	(16,755)
43d	LVNO services	Kbv m.	169,663	129,298	186,209	485,170
43e	LES services	Kbv m.	15,386	13,482	19,364	48,232
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	175,650	141,497	199,501	516,648
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	(133,291)	78,042	8,672	(46,578)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m.	(643,273)	340,000	(24,139)	(327,412)
	REVENUE CHANGES					
45	Existing system revenue	Kbv m	11,118,072	1,150,060	5,283,141	17,551,273
46	Proposed system revenue	Kbv m	10,474,799	1,490,060	5,259,002	17,223,861
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	(643,273)	340,000	(24,139)	(327,412)

Oblenergo Financial Results (as provided by Minenergo), August 1995

Donbassenergo

		Units	ACTUAL DATA Lugansk Oblenergo	Donetsk Oblenergo	TOTAL
	1	2	3.2.	3.3	
1	Production of electrical energy	m kWh	11 10	1.30	12.40
2	Energy supply from buses	m. kWh	5 193	-6.90	-1 71
3	Useful supply of electric energy	m. kWh	987	1920	2907
4	Useful supply to internal consumers	m kWh	987	1920	2907
5	Manufacturing cost				
	Services of production character	m Kbv.	2198	11793	13991
	Additional materials and raw materials	m Kbv	6121	9844	15965
	Fuel from external sources	m Kbv	16878	8247	25125
	Energy from external sources	m. Kbv	8640	8547	17187
	Labor costs	m. Kbv.	76975	127330	204305
	Payments to social security fund	m. Kbv	28481	47112	75593
	Payments to employment fund	m Kbv	1540	2547	4086
	Payments to Chernobyl fund	m Kbv	9237	15280	24517
	Depreciation for complete	m Kbv	11926	21466	33392
	-Spendings for repairs	m Kbv	24640	68950	93590
	Other payments	m. Kbv	19468	21799	41267
	credit interest included	m. Kbv	0	0	0
	Total production costs	m. Kbv.	206103	342914	549018
		m Kbv			
	Spending for services not included in total product	m Kbv	0	10010	10010
	Bought energy - total	m. Kbv	4850074	9449744	14299818
	Manufacturing costs of total commercial product	m Kbv	5056177	9782648	14838826
		m. Kbv			
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m. Kbv	175022	337100	512121
		m. Kbv			
	Payments for development of wind energy production (0 5% of total sales)	m Kbv.	0	0	0
	Payments for exhausts within limits	m. Kbv.	1	12	13
		m Kbv			
	Manufacturing cost of commercial product	m. Kbv.	5231200	10119760	15350960
7	Tax benefits - total	m Kbv.			
8	Capital investments	m Kbv	54796	94336	149132
8 1	Depreciation	m Kbv	11926	21466	33392
8 2	From income	m. Kbv	42870	72870	115740
8 3	From income for rural power networks	m. Kbv.			
		m Kbv			
		m Kbv			
9	Current spending from income (without capital investment)	m Kbv	123430	206557	329987
	including	m. Kbv			
	- funds directed for production development	m Kbv.			
	- social funds	m Kbv			
	- payments to centralized funds	m Kbv			
	- increases in turnover funds	m. Kbv			
	- remuneration funds	m. Kbv			
	- other purposes	m Kbv			
10	Income	m Kbv	166300	279427	445727
11	Balance income	m Kbv	238230	414600	652830
12	Payments for land	m Kbv.	460	10793	11253
13	Income tax	m Kbv	71469	124380	195849
14	Exports	m. Kbv	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	5469429	10534360	16003789
16	Income from electric energy [Profit before tax & land payment]	m Kbv	238229	414600	652829
17	Energy supply to internal consumers	m Kbv	5469429	10534360	16003789
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5541	5487	5505
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh			
20	Profitability of electric energy	%	4 71%	4 24%	4 40%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5300	5271	5281
	FOR INFORMATION				
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4791	4619	4676
	ENERGY TARIFF APPROVED	Kbv /kWh	4790	4620	4680
	AVERAGE PRICE				
	Energy from block stations	m Kbv	0	0	0
	Energy bought from National Dispatch Center	m Kbv	4850074	9449744	14299818
	Energy bought from National Dispatch Center	m kWh	1012 337	2046	3058
	Profitability	%	3 86%	3.49%	3.62%
	Index of tariff increase for electric energy				
	Constant spending for kilowatt hour	Kbv /kWh	369	345	353
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	4849094	9452520	14301614

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Oblenergo Income Statement (August 1995)

Donbassenergo		WHOLESALE MARKET COST ALLOCATION		
		Lugansk Oblenergo	Donetsk Oblenergo	
	Units			
1	2	3.1	3.2	TOTAL
1 Total oblenergo operating costs	m. Kbv	206104	332916	539021
GENERATION FUNCTION				
Allocation of generation costs				
2 Non-fuel generation costs	m Kbv	2921	342	3263
2 1 Fossil	m. Kbv	2921	342	3263
2.2 Hydro	m. Kbv	0	0	0
3 Fuel	m. Kbv	16878	8247	25125
4 Total generation costs (4)=(2)+(3)	m. Kbv.	19799	8589	28388
Generation profit				
5 Revenue	m. Kbv	23178	0	23178
6 Allocated generation costs (6)=(4)	m Kbv	19799	8589	28388
7 Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0
8 Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	3379	-8589	-5210
9 Income tax (9)= 30% of (8)	m Kbv	1014	-2577	-1563
10 Profit before land payments (10)=(8)-(9)	m. Kbv.	2365	-6012	-3647
11 Payments for land	m Kbv	67	8	75
12 Generator profit (12)=(10)-(11)	m Kbv	2298	-6020	-3722
LVNO FUNCTION				
13 Revenue requirement	m Kbv.	259971	474868	734840
14 Total LES/LVNO costs (14)=(1)-(4)	m. Kbv	186305	324327	510632
15 LVNO costs (15)= 90% of (14)	m. Kbv	167675	291894	459569
16 Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0
17 Income from electric energy (17)=(13)-(15)-(16)	m Kbv	92297	182974	275271
18 Income tax (18)= 30% of (17)	m. Kbv.	27689	54892	82581
19 Profit before land payments (19)=(17)-(18)	m. Kbv.	64608	128082	192689
20 Payments for land	m Kbv	393	10785	11178
21 LVNO profit (21)= Assigned % of (13)	m Kbv	64215	117297	181512
LES FUNCTION				
22 Revenue	m Kbv.	28789	50118	78907
23 LES costs (27)= 10% of (14)	m Kbv	18631	32433	51063
24 Income from electric energy (27)=(22)-(25)	m Kbv	10159	17685	27844
25 Income tax (28)= 30% of (27)	m Kbv	3048	5306	8353
26 Income (29)= Assigned % of (22)	m Kbv	7111	12380	19491
27 **Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	73624	123656	197280
RETAIL TARIFF COST COMPONENTS				
28 Power supply				
28a Energomarket purchases	m Kbv	4612207	9321576	13933783
28b Self-generation				
28c Sales to Energomarket	m Kbv	23178	0	23178
28d Energomarket costs	m. Kbv	481	0	481
28e Total of self-generation	m. Kbv	23659	0	23659
28f Block stations	m Kbv	36448	305252	341700
28g Total power supply	m Kbv.	4672315	9626828	14299143
29 LVNO services	m Kbv.	259971	474868	734840
30 LES services	m Kbv	28789	50118	78907
31 Total costs of retail supply	m. Kbv.	4961076	10151814	15112890
32 Gross receipts tax	m. Kbv.	164002	335597	499600
33 Total costs	m Kbv.	5125078	10487411	15612489
RETAIL TARIFF PRICE COMPONENTS				
34 Power supply	Kbv /kWh	4734	5014	4919
35 LVNO services	Kbv /kWh	263	247	253
36 LES services	Kbv./kWh	29	26	27
37 Gross receipts tax	Kbv./kWh	166	175	172
38 Total Price	Kbv./kWh	5193	5462	5371

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RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Lugansk Oblenergo	Donetsk Oblenergo	TOTAL
	Purchase price				
39	NDC purchase price				
39a	Effective price from NDC	Kbv/kWh	4,791	4,619	4,676
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(235)	(63)	(120)
39d	Quantity	kWh m	1,012	2,046	3,058
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m.	(237,867)	(128,168)	(366,035)
40	Block station purchase price				
40a	Effective price from block stations	Kbv/kWh	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556
40d	Quantity	kWh m.	8.00	67 00	75.00
40e	Net effect on revenues (40e)=(40c)x(40d)	Kbv m.	36,448	305,252	341,700
	Sales price				
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93
41d	Self generation	kWh m	5 19	0 00	5 19
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m.	481	0	481
	Gross receipts tax				
42a	Existing system	Kbv m	175,022	337,100	512,121
42b	Proposed system	Kbv m	164,002	335,597	499,600
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	(11,019)	(1,502)	(12,522)
	Profit before tax				
43a	Existing system profit before tax	Kbv m	238,229	414,600	652,829
43b	Proposed system profit before tax	Kbv m			
43c	Generation	Kbv m	3,379	(8,589)	(5,210)
43d	LVNO services	Kbv m	92,297	182,974	275,271
43e	LES services	Kbv m	10,159	17,685	27,844
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	105,835	192,070	297,905
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m.	(132,394)	(222,531)	(354,925)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	(344,351)	(46,949)	(391,300)
	REVENUE CHANGES				
45	Existing system revenue	Kbv m.	5,469,429	10,534,360	16,003,789
46	Proposed system revenue	Kbv m	5,125,078	10,487,411	15,612,489
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	(344,351)	(46,949)	(391,300)

Oblenergo Financial Results (as provided by Minenergo), August 1995

Kievenergo

		Units	ACTUAL DATA					
			Kiev Oblenergo	Kiev City Oblenergo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	
	1	2	3 2	3.3	3 4	3 5	3 6	TOTAL
1	Production of electrical energy	m kWh	1 00	354.00		48.00	37 00	440 00
2	Energy supply from buses	m kWh	0 099	325 36		40 42	32 276	398 16
3	Useful supply of electric energy	m kWh	279 90	347 46	160 00	282.00	112 20	1181 56
4	Useful supply to internal consumers	m kWh	279 90	346 00	160 00	282 00	112 20	1180 10
5	Manufacturing cost							
	Services of production character	m Kbv	2100	40530	600	12850	8510	64590
	Additional materials and raw materials	m Kbv.	12300	51561	4500	12300	6500	87161
	Fuel from external sources	m Kbv	6100	888351	4000	155951	139081	1193483
	Energy from external sources	m Kbv	500	6485	3000	2410	1490	13885
	Labor costs	m. Kbv	55100	44270	53460	45298	45591	243719
	Payments to social security fund	m Kbv	20387	16380	19780	16760	16869	90176
	Payments to employment fund	m Kbv	1102	885	1069	906	912	4874
	Payments to Chernobyl fund	m. Kbv	6612	5312	6415	5436	5471	29246
	Depreciation for complete	m. Kbv	15603	9000	18200	4728	12901	60432
	Spendings for repairs	m. Kbv	10000	92338	8132	8820	1800	121090
	Other payments	m Kbv	10000	150000	8000	14176	5130	187306
	credit interest included	m Kbv.	0	10000	0	0	1300	11300
	Total production costs	m Kbv	139804	1305113	127157	279635	244254	2095963
		m Kbv						
	Spending for services not included in total product	m Kbv	0	0	0	1000	1600	2600
	Bought energy - total	m. Kbv	1364990	597076	725856	1092033	299935	4079890
	Manufacturing costs of total commercial product	m Kbv.	1504794	1902189	853013	1370668	542589	6173253
		m. Kbv.						
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m Kbv.	51641	65977	29692	50274	20746	218330
		m Kbv						
	Payments for development of wind energy production (0 5% of total sales)	m Kbv	0	0	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	0	0	9	0	9
		m Kbv.						
	Manufacturing cost of commercial product	m Kbv	1556435	1968165	882705	1420951	563335	6391591
7	Tax benefits - total	m Kbv	0	0	0	0	0	0
8	Capital investments	m Kbv	23793	29250	25460	14028	58051	150582
8 1	Depreciation	m Kbv	15603	9000	18200	4728	12901	60432
8 2	From income	m. Kbv	8190	20250	7260	9300	45150	90150
8 3	From income for rural power networks	m Kbv	0	0	0	0	0	0
		m Kbv.						
		m Kbv						
9	Current spending from income (without capital investment)	m Kbv	29655	42773	22752		13931	109110
	including	m. Kbv						
	- funds directed for production development	m. Kbv.						
	- social funds	m Kbv	7000	14000	9995	13650	5600	
	- payments to centralized funds	m Kbv	23347	29522	13241	21742	8450	
	- increases in turnover funds	m Kbv						
	- remuneration funds	m Kbv						
	- other purposes	m Kbv						
10	Income	m. Kbv	37845	63023	30012	103068	59081	293028
11	Balance income	m Kbv	57356	93604	45181	121560	84971	402672
12	Payments for land	m Kbv	2304	2500	1615	2000	400	8819
13	Income tax	m Kbv	17207	28081	13554	45029	25492	129363
14	Exports	m Kbv.	0	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1613791	2061769	927886	1571048	648308	6822802
16	Income from electric energy [Profit before tax & land payment]	m Kbv	57356	93604	45181	150097	84973	431211
17	Energy supply to internal consumers	m Kbv	1613791	2061769	927886	1571048	648308	6822802
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5766	5959	5799	5571	5778	5782
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh						
20	Profitability of electric energy	%	3 81%	4 92%	5 30%	10 95%	15 66%	6 99%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5561	5664	5517	5039	5021	5409
	FOR INFORMATION							
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4424	5000	4031	4074	3033	4138
	ENERGY TARIFF APPROVED	Kbv /kWh	4420	5000	4030	4070	3030	4140
	AVERAGE PRICE							
	Energy from block stations	m Kbv	36550	248441	0	0	0	284991
	Energy bought from National Dispatch Center	m Kbv	1328440	348635	725856	1092033	299935	3794899
	Energy bought from National Dispatch Center	m kWh	300 301	69 73	180 06	268 04	98 9	917
	Profitability	%	3.27%	3 86%	4 45%	10 27%	7 34%	5.52%
	Index of tariff increase for electric energy							
	Constant spending for kilowatt hour	Kbv /kWh	662	1389	955	613	1108	946
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	1327330	348635	725642	1090923	299667	3796496

Oblenergo Income Statement (August 1995)

Kievenergo

		Units	WHOLESALE MARKET COST ALLOCATION					
			Kiev Oblenergo	Kiev City Energo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	
	1	2	3 1	3 2	3.3	3 4	3 5	TOTAL
1	Total oblenergo operating costs	m Kbv.	139804	1305113	127157	278644	242654	2093372
	GENERATION FUNCTION							
	Allocation of generation costs							
2	Non-fuel generation costs	m Kbv	253	93159	0	12616	9737	115766
2 1	Fossil	m Kbv.	0	93159	0	12237	9737	115133
2 2	Hydro	m. Kbv.	253	0	0	379	0	632
3	Fuel	m Kbv	6100	888351	4000	155951	139081	1193483
4	Total generation costs (4)=(2)+(3)	m Kbv	6353	981510	4000	168567	148818	1309249
	Generation profit							
5	Revenue	m Kbv.	442	1452203	0	180409	144059	1777114
6	Allocated generation costs (6)=(4)	m. Kbv	6353	981510	4000	168567	148818	1309249
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	-5911	470693	-4000	11842	-4759	467865
9	Income tax (9)= 30% of (8)	m Kbv	-1773	141208	-1200	3552	-1428	140360
10	Profit before land payments (10)=(8)-(9)	m Kbv	-4138	329485	-2800	8289	-3331	327506
11	Payments for land	m Kbv	6	2149	0	291	225	2671
12	Generator profit (12)=(10)-(11)	m. Kbv	-4144	327336	-2800	7998	-3556	324834
	LVNO FUNCTION							
13	Revenue requirement	m Kbv	190671	450826	174846	156861	130891	1104094
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	133451	323602	123157	110077	93836	784123
15	LVNO costs (15)= 90% of (14)	m Kbv	120106	291242	110841	99069	84453	705711
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv.	70565	159584	64005	57792	46438	398383
18	Income tax (18)= 30% of (17)	m Kbv.	21169	47875	19201	17338	13931	119515
19	Profit before land payments (19)=(17)-(18)	m Kbv	49395	111708	44803	40455	32506	278868
20	Payments for land	m Kbv	2298	351	1615	1709	175	6148
21	LVNO profit (21)= Assigned % of (13)	m Kbv.	47097	111358	43188	38746	32331	272721
	LES FUNCTION							
22	Revenue	m Kbv.	20622	50006	19031	17010	14500	121169
23	LES costs (27)= 10% of (14)	m Kbv	13345	32360	12316	11008	9384	78412
24	Income from electric energy (27)=(22)-(25)	m Kbv	7277	17645	6716	6002	5117	42757
25	Income tax (28)= 30% of (27)	m Kbv	2183	5294	2015	1801	1535	12827
26	Income (29)= Assigned % of (22)	m. Kbv	5094	12352	4701	4202	3582	29930
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	48047	451045	45089	50945	32357	627485
	RETAIL TARIFF COST COMPONENTS							
28	Power supply							
28a	Energomarket purchases	m Kbv	1368171	317676	820353	1221190	450588	4177980
28b	Self-generation							
28c	Sales to Energomarket	m Kbv	442	1452203	0	180409	144059	1777114
28d	Energomarket costs	m Kbv	9	30141	0	3744	2990	36885
28e	Total of self-generation	m Kbv	451	1482345	0	184154	147049	1813999
28f	Block stations	m. Kbv	109344	159460	0	0	0	268804
28g	Total power supply	m Kbv	1477966	1959481	820353	1405344	597638	6260782
29	LVNO services	m Kbv	190671	450826	174846	156861	130891	1104094
30	LES services	m Kbv	20622	50006	19031	17010	14500	121169
31	Total costs of retail supply	m Kbv	1689259	2460312	1014230	1579215	743029	7486045
32	Gross receipts tax	m. Kbv	55843	81333	33528	52205	24563	247473
33	Total costs	m Kbv	1745102	2541645	1047759	1631420	767592	7733518
	RETAIL TARIFF PRICE COMPONENTS							
34	Power supply	Kbv /kWh	5280	5639	5127	4983	5327	5299
35	LVNO services	Kbv /kWh	681	1297	1093	556	1167	934
36	LES services	Kbv./kWh	74	144	119	60	129	103
37	Gross receipts tax	Kbv /kWh	200	234	210	185	219	209
38	Total Price	Kbv /kWh	6235	7315	6548	5785	6841	6545

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RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Kiev Oblenergo	Kiev City Energo	Zhitomir Oblenergo	Cherkassy Oblenergo	Chernigov Oblenergo	TOTAL
	Purchase price							
39	NDC purchase price							
39a	Effective price from NDC	Kbv/kWh	4,424	5,000	4,031	4,074	3,033	4,138
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	132	(444)	525	482	1,523	418
39d	Quantity	kWh m	300	70	180	268	99	917
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	39,731	(30,959)	94,497	129,157	150,653	383,081
40	Block station purchase price							
40a	Effective price from block stations	Kbv/kWh	1,523	7,098	0	0	0	4,830
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	3,033	(2,542)	4,556	4,556	4,556	(274)
40d	Quantity	kWh m	24 00	35.00	0 00	0 00	0 00	59.00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	72,794	(88,981)	0	0	0	(16,187)
	Sales price							
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93	93	93
41d	Self generation	kWh m	0 10	325.36	0 00	40 42	32 28	398 16
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	9	30,141	0	3,744	2,990	36,885
	Gross receipts tax							
42a	Existing system	Kbv m	51,641	65,977	29,692	50,274	20,746	218,330
42b	Proposed system	Kbv m	55,843	81,333	33,528	52,205	24,563	247,473
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m.	4,202	15,356	3,836	1,932	3,817	29,143
	Profit before tax							
43a	Existing system profit before tax	Kbv m	57,356	93,604	45,181	150,097	84,973	431,211
43b	Proposed system profit before tax	Kbv m						
43c	Generation	Kbv m	(5,911)	470,693	(4,000)	11,842	(4,759)	467,865
43d	LVNO services	Kbv m	70,565	159,584	64,005	57,792	46,438	398,383
43e	LES services	Kbv m	7,277	17,645	6,716	6,002	5,117	42,757
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	71,930	647,922	66,720	75,636	46,796	909,005
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	14,575	554,318	21,539	(74,461)	(38,177)	477,795
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	131,311	479,876	119,873	60,372	119,284	910,716
	REVENUE CHANGES							
45	Existing system revenue	Kbv m	1,613,791	2,061,769	927,886	1,571,048	648,308	6,822,802
46	Proposed system revenue	Kbv m	1,745,102	2,541,645	1,047,759	1,631,420	767,592	7,733,518
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	131,311	479,876	119,873	60,372	119,284	910,716

Oblenergo Financial Results (as provided by Minenergo), August 1995

Krymenergo

		Units	ACTUAL DATA Sevastopol Oblenergo	Crimea Oblenergo	TOTAL
1		2	3.1	3.2.	
1	Production of electrical energy	m. kWh	0 00	25 10	25.10
2	Energy supply from buses	m kWh	-0 46	20.90	20 44
3	Useful supply of electric energy	m kWh	57 50	460 00	517 50
4	Useful supply to internal consumers	m kWh	57 50	460 00	517 50
5	Manufacturing cost				
	Services of production character	m Kbv	1566	7978	9544
	Additional materials and raw materials	m Kbv	1900	25630	27530
	Fuel from external sources	m Kbv	0	102469	102469
	Energy from external sources	m Kbv	1809	15418	17227
	Labor costs	m Kbv.	10702	60522	71224
	Payments to social security fund	m Kbv.	3960	22393	26353
	Payments to employment fund	m Kbv.	214	1210	1424
	Payments to Chernobyl fund	m Kbv	1284	7263	8547
	Depreciation for complete	m Kbv	2471	12561	15032
	Spendings for repairs	m Kbv	2800	0	2800
	Other payments	m. Kbv	5607	18817	24424
	credit interest included	m Kbv	0	0	0
	Total production costs	m Kbv	32313	274261	306574
		m Kbv			
	Spending for services not included in total product	m. Kbv	0	18000	18000
	Bought energy - total	m. Kbv	277159	2158460	2435619
	Manufacturing costs of total commercial product	m. Kbv	309472	2414721	2724193
		m Kbv.			
	Payments to investment fund, labor safety fund, and road fund (3.2% of sal	m Kbv	11023	84731	95754
		m Kbv.			
	Payments for development of wind energy production (0 5% of total sales)	m. Kbv	0	0	0
	Payments for exhausts within limits	m. Kbv.	0	199	199
		m Kbv.			
	Manufacturing cost of commercial product	m. Kbv	320495	2499652	2820146
7	Tax benefits - total	m Kbv			
8	Capital investments	m Kbv.	8021	43461	51482
8 1	Depreciation	m Kbv	2471	12561	15032
8 2	From income	m. Kbv	5550	30900	36450
8 3	From income for rural power networks	m. Kbv			
		m Kbv			
		m. Kbv			
9	Current spending from income (without capital investment)	m Kbv	9707	71095	
	including	m Kbv.			
	- funds directed for production development	m Kbv			
	- social funds	m. Kbv	4900	33600	
	- payments to centralized funds	m. Kbv	4807	37495	
	- increases in turnover funds	m Kbv.			
	- remuneration funds	m Kbv.			
	- other purposes	m Kbv			
10	Income	m Kbv	14607	101245	115852
11	Balance income	m Kbv	23962	148207	172169
12	Payments for land	m. Kbv	2166	2500	4666
13	Income tax	m. Kbv	7188	44462	51651
14	Exports	m Kbv	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	344456	2647859	2992315
16	Income from electric energy [Profit before tax & land payment]	m Kbv	23961	148207	172169
17	Energy supply to internal consumers	m Kbv	344456	2647859	2992315
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5991	5756	11747
19	Tariff for transmitting to National Dispatch Center	Kbv./kWh			
20	Profitability of electric energy	%	7 74%	6.14%	6 32%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5574	5434	5450
	FOR INFORMATION				
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4202	4545	4503
	ENERGY TARIFF APPROVED	Kbv./kWh	4200	4550	4500
	AVERAGE PRICE				
	Energy from block stations	m Kbv	0	0	0
	Energy bought from National Dispatch Center	m. Kbv	277159	2158460	2435619
	Energy bought from National Dispatch Center	m. kWh	66	475	541
	Profitability	%	5.95%	4 86%	4.98%
	Index of tariff increase for electric energy				
	Constant spending for kilowatt hour	Kbv /kWh	754	519	545
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	277027	2160835	2433904

Oblenergo Income Statement (August 1995)

Krymenergo		WHOLESALE MARKET COST ALLOCATION			
			Sevastopol City Energo	Crimea Energo	
		Units			
	1	2	3.1	3.2	TOTAL
1	Total oblenergo operating costs	m. Kbv	32313	256460	288773
	GENERATION FUNCTION				
	Allocation of generation costs				
2	Non-fuel generation costs	m Kbv.	0	6605	6605
2 1	Fossil	m. Kbv	0	6605	6605
2 2	Hydro	m Kbv	0	0	0
3	Fuel	m Kbv	0	102469	102469
4	Total generation costs (4)=(2)+(3)	m Kbv.	0	109074	109074
	Generation profit				
5	Revenue	m Kbv	0	93284	93284
6	Allocated generation costs (6)=(4)	m Kbv	0	109074	109074
7	Payments to investment fund, labor safety fund, and road fund	m Kbv.	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv.	0	-15790	-15790
9	Income tax (9)= 30% of (8)	m Kbv.	0	-4737	-4737
10	Profit before land payments (10)=(8)-(9)	m. Kbv.	0	-11053	-11053
11	Payments for land	m. Kbv	0	152	152
12	Generator profit (12)=(10)-(11)	m Kbv	0	-11205	-11205
	LVNO FUNCTION				
13	Revenue requirement	m Kbv	49721	210160	259881
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	32313	147386	179699
15	LVNO costs (15)= 90% of (14)	m. Kbv	29082	132647	161729
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	20639	77513	98152
18	Income tax (18)= 30% of (17)	m Kbv	6192	23254	29446
19	Profit before land payments (19)=(17)-(18)	m Kbv	14448	54259	68706
20	Payments for land	m Kbv	2166	2348	4514
21	LVNO profit (21)= Assigned % of (13)	m. Kbv	12282	51911	64193
	LES FUNCTION				
22	Revenue	m Kbv	4993	22775	27769
23	LES costs (27)= 10% of (14)	m. Kbv	3231	14739	17970
24	Income from electric energy (27)=(22)-(25)	m Kbv.	1762	8037	9799
25	Income tax (28)= 30% of (27)	m Kbv	529	2411	2940
26	Income (29)= Assigned % of (22)	m Kbv	1233	5626	6859
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv.	13515	46332	59846
	RETAIL TARIFF COST COMPONENTS				
28	Power supply				
28a	Energomarket purchases	m Kbv	300508	2163684	2464192
28b	Self-generation				
28c	Sales to Energomarket	m. Kbv	0	93284	93284
28d	Energomarket costs	m Kbv.	0	1936	1936
28e	Total of self-generation	m Kbv.	0	95220	95220
28f	Block stations	m Kbv	0	0	0
28g	Total power supply	m Kbv	300508	2258904	2559413
29	LVNO services	m Kbv	49721	210160	259881
30	LES services	m Kbv	4993	22775	27769
31	Total costs of retail supply	m. Kbv.	355223	2491840	2847062
32	Gross receipts tax	m Kbv	11743	82375	94118
33	Total costs	m. Kbv	366966	2574215	2941180
	RETAIL TARIFF PRICE COMPONENTS				
34	Power supply	Kbv /kWh	5226	4911	4946
35	LVNO services	Kbv./kWh	865	457	502
36	LES services	Kbv /kWh	87	50	54
37	Gross receipts tax	Kbv./kWh	204	179	182
38	Total Price	Kbv /kWh	6382	5596	5683

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RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Sevastopol City Energo	Crimea Energo	TOTAL
	Purchase price				
39	NDC purchase price				
39a	Effective price from NDC	Kbv/kWh	4,202	4,545	4,503
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	354	11	53
39d	Quantity	kWh m	66	475	541
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m.	23,349	5,224	28,573
40	Block station purchase price				
40a	Effective price from block stations	Kbv/kWh	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556
40d	Quantity	kWh m	0 00	0 00	0.00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	0	0	0
	Sales price				
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93
41d	Self generation	kWh m	0.00	20 90	20 90
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	0	1,936	1,936
	Gross receipts tax				
42a	Existing system	Kbv m	11,023	84,731	95,754
42b	Proposed system	Kbv m	11,743	82,375	94,118
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	720	(2,357)	(1,636)
	Profit before tax				
43a	Existing system profit before tax	Kbv m	23,961	148,207	172,169
43b	Proposed system profit before tax	Kbv m			
43c	Generation	Kbv m	0	(15,790)	(15,790)
43d	LVNO services	Kbv m	20,639	77,513	98,152
43e.	LES services	Kbv m	1,762	8,037	9,799
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	22,401	69,759	92,161
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	(1,560)	(78,448)	(80,008)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	22,510	(73,644)	(51,135)
	REVENUE CHANGES				
45	Existing system revenue	Kbv m	344,456	2,647,859	2,992,315
46	Proposed system revenue	Kbv m.	366,966	2,574,215	2,941,180
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	22,510	(73,644)	(51,135)

Oblenergo Financial Results (as provided by Minenergo), July 1995

Lvivnergo

		Units	ACTUAL DATA					
			Ivano-Fran Oblenergo	Volyn Oblenergo	Zakarpattya Oblenergo	Rovno Oblenergo	Lviv Oblenergo	
1		2	3.3	3.4	3 5	3 6	3 7	TOTAL
1	Production of electrical energy	m. kWh	46 00		8 00		2.00	56 00
2	Energy supply from buses	m. kWh	36.13		7 97		0 55	44 65
3	Useful supply of electric energy	m. kWh	233 00	99 00	93 00	133 00	297 20	855 20
4	Useful supply to internal consumers	m kWh	233 00	99 00	93 00	133 00	297 20	855 20
5	Manufacturing cost							
	Services of production character	m. Kbv	2500	1800	1032	3620	5172	14124
	Additional materials and raw materials	m Kbv	6050	4800	5130	4300	5461	25741
	Fuel from external sources	m. Kbv	104456				1261	105717
	Energy from external sources	m Kbv	2040	1500	1410	420	2422	7792
	Labor costs	m Kbv	38732	30800	28812	28700	59850	186894
	Payments to social security fund	m Kbv	14331	11396	10660	10619	22145	69151
	Payments to employment fund	m. Kbv	775	616	576	574	1197	3738
	Payments to Chernobyl fund	m Kbv	4648	3696	3457	3444	7182	22427
	Depreciation for complete	m Kbv	11284	6000	8350	7519	12538	45691
	Spendings for repairs	m Kbv.	9220	3000	2600	13824	32571	61215
	Other payments	m Kbv	8500	6918	19337	6804	66836	108395
	credit interest included	m Kbv	83	0	0	0	0	83
	Total production costs	m Kbv.	202535	70526	81365	79824	216635	650885
		m Kbv						
	Spending for services not included in total product	m. Kbv	100	0	0	0	700	800
	Bought energy - total	m Kbv	1101546	454374	386744	588651	1466356	3997671
	Manufacturing costs of total commercial product	m Kbv	1303981	524900	468109	668475	1682291	4647756
		m Kbv.						
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	44999	18590	16984	24816	59015	164404
		m Kbv.						
	Payments for development of wind energy production (0 5% of total sales)	m. Kbv	0	0	0	0	0	0
	Payments for exhausts within limits	m. Kbv	0	0	0	0	0	0
		m Kbv						
	Manufacturing cost of commercial product	m Kbv	1348981	543490	485093	693291	1741305	4812160
7	Tax benefits - total	m Kbv	0	0	0	0	0	0
8	Capital investments	m Kbv	18274	13890	24760	12649	39358	108931
8 1	Depreciation	m. Kbv.	11284	6000	8350	7519	12538	45691
8 2	From income	m. Kbv	6990	7890	16410	5130	26820	63240
8 3	From income for rural power networks	m Kbv	0	0	0	0	0	0
		m Kbv						
		m Kbv.						
9	Current spending from income (without capital investment)	m Kbv	31891	18008	15116	13339	43623	
	including	m Kbv						
	- funds directed for production development	m Kbv						
	- social funds	m Kbv	11656	9856	7840	2940	17503	
	- payments to centralized funds	m Kbv	20235	8152	7276	10399	26120	
	- increases in turnover funds	m Kbv.						
	- remuneration funds	m Kbv						
	- other purposes	m Kbv						
10	Income	m Kbv	38370	25764	31340	56005	69761	221241
11	Balance income	m Kbv	57249	37444	45658	82219	102901	325471
12	Payments for land	m Kbv.	1705	446	620	1548	2269	6589
13	Income tax	m Kbv	17175	11233	13697	24666	30870	97641
14	Exports	m Kbv	0	0	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1406230	580934	530751	775510	1844206	5137631
16	Income from electric energy [Profit before tax & land payment]	m Kbv	57249	37444	45658	82219	102901	325471
17	Energy supply to internal consumers	m Kbv	1406230	580934	530751	775510	1844206	5137631
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	6035	5868	5707	5831	6205	6008
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh						
20	Profitability of electric energy	%	4 39%	7 13%	9 75%	12 30%	6 12%	7 00%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5790	5490	5216	5213	5859	5627
	FOR INFORMATION							
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	5033	3884	3787	4042	4364	4347
	ENERGY TARIFF APPROVED	Kbv /kWh	5030	3880	3790	4040	4360	4350
	AVERAGE PRICE							
	Energy from block stations	m Kbv	0	0	0	0	0	0
	Energy bought from National Dispatch Center	m Kbv	1101546	454374	386744	588651	1466356	3997671
	Energy bought from National Dispatch Center	m kWh	218 85	117	102.13	145.65	336 05	920
	Profitability	%	3 85%	5 63%	6.25%	11 53%	4 52%	5 64%
	Index of tariff increase for electric energy							
	Constant spending for kilowatt hour	Kbv /kWh	614	900	1058	787	921	829
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	1100816	453960	387073	588426	1465178	4000608

Oblenergo Income Statement (August 1995)

Lvivnergo

			WHOLESALE MARKET COST ALLOCATION					
			Ivano-Fran OEEN	Volyn OEEN	Zakarpattya OEEN	Rovno OEEN	Lviv Oblenergo	
		Units						
	1	2	3 1	3.2	3 3	3.4	3 5	TOTAL
1	Total oblenergo operating costs	m Kbv.	202435	70526	81365	79824	215935	650085
	GENERATION FUNCTION							
	Allocation of generation costs							
2	Non-fuel generation costs	m. Kbv	12105	0	2023	0	1184	15313
2 1	Fossil	m. Kbv	12105	0	0	0	1184	13290
2.2	Hydro	m. Kbv	0	0	2023	0	0	2023
3	Fuel	m Kbv	104456	0	0	0	1261	105717
4	Total generation costs (4)=(2)+(3)	m Kbv	116561	0	2023	0	2445	121030
	Generation profit							
5	Revenue	m Kbv.	161261	0	35573	0	2455	199289
6	Allocated generation costs (6)=(4)	m Kbv.	116561	0	2023	0	2445	121030
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	44700	0	33550	0	10	78259
9	Income tax (9)= 30% of (8)	m Kbv	13410	0	10065	0	3	23478
10	Profit before land payments (10)=(8)-(9)	m. Kbv	31290	0	23485	0	7	54781
11	Payments for land	m. Kbv.	279	0	49	0	12	340
12	Generator profit (12)=(10)-(11)	m Kbv.	31011	0	23436	0	-5	54441
	LVNO FUNCTION							
13	Revenue requirement	m Kbv	122577	99070	111607	114433	301894	749580
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv.	85874	70526	79342	79824	213489	529055
15	LVNO costs (15)= 90% of (14)	m Kbv	77286	63473	71408	71842	192140	476150
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv.	0	0	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv	45290	35596	40199	42591	109753	273430
18	Income tax (18)= 30% of (17)	m Kbv	13587	10679	12060	12777	32926	82029
19	Profit before land payments (19)=(17)-(18)	m Kbv	31703	24917	28139	29814	76827	191401
20	Payments for land	m. Kbv	1426	446	571	1548	2257	6249
21	LVNO profit (21)= Assigned % of (13)	m Kbv	30278	24471	27568	28266	74570	185153
	LES FUNCTION							
22	Revenue	m. Kbv.	13270	10898	12261	12335	32990	81754
23	LES costs (27)= 10% of (14)	m Kbv	8587	7053	7934	7982	21349	52906
24	Income from electric energy (27)=(22)-(25)	m Kbv	4683	3846	4326	4353	11641	28848
25	Income tax (28)= 30% of (27)	m. Kbv.	1405	1154	1298	1306	3492	8655
26	Income (29)= Assigned % of (22)	m Kbv.	3278	2692	3028	3047	8149	20194
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv	64566	27163	54032	31313	82714	259788
	RETAIL TARIFF COST COMPONENTS							
28	Power supply							
28a	Energomarket purchases	m Kbv	997081	533052	465304	663581	1531044	4190062
28b	Self-generation							
28c	Sales to Energomarket	m. Kbv	161261	0	35573	0	2455	199289
28d	Energomarket costs	m Kbv	3347	0	738	0	51	4136
28e	Total of self-generation	m Kbv	164608	0	36311	0	2506	203425
28f	Block stations	m Kbv	18224	0	0	0	12757	30981
28g	Total power supply	m Kbv	1179913	533052	501616	663581	1546306	4424468
29	LVNO services	m Kbv	122577	99070	111607	114433	301894	749580
30	LES services	m Kbv.	13270	10898	12261	12335	32990	81754
31	Total costs of retail supply	m Kbv	1315760	643020	625483	790349	1881190	5255802
32	Gross receipts tax	m Kbv	43496	21257	20677	26127	62188	173746
33	Total costs	m Kbv	1359256	664277	646160	816477	1943378	5429548
	RETAIL TARIFF PRICE COMPONENTS							
34	Power supply	Kbv /kWh	5064	5384	5394	4989	5203	5174
35	LVNO services	Kbv /kWh	526	1001	1200	860	1016	876
36	LES services	Kbv /kWh	57	110	132	93	111	96
37	Gross receipts tax	Kbv /kWh	187	215	222	196	209	203
38	Total Price	Kbv /kWh	5834	6710	6948	6139	6539	6349

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Ivano-Fran OEEN	Volyn OEEN	Zakarpattya OEEN	Rovno OEEN	Lviv Oblenergo	TOTAL
	Purchase price							
39	NDC purchase price							
39a	Effective price from NDC	Kbv/kWh	5,033	3,884	3,787	4,042	4,364	4,347
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(477)	672	769	514	192	209
39d	Quantity	kWh m	219	117	102	146	336	920
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(104,465)	78,678	78,560	74,930	64,688	192,391
40	Block station purchase price							
40a	Effective price from block stations	Kbv/kWh	0	0	0	0	0	0
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
40d	Quantity	kWh m	4.00	0 00	0.00	0.00	2 80	6 80
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	18,224	0	0	0	12,757	30,981
	Sales price							
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93	93	93
41d	Self generation	kWh m.	36 13	0 00	7 97	0 00	0 55	44 65
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	3,347	0	738	0	51	4,136
	Gross receipts tax							
42a	Existing system	Kbv m	44,999	18,590	16,984	24,816	59,015	164,404
42b	Proposed system	Kbv m	43,496	21,257	20,677	26,127	62,188	173,746
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	(1,503)	2,667	3,693	1,311	3,174	9,341
	Profit before tax							
43a	Existing system profit before tax	Kbv m.	57,249	37,444	45,658	82,219	102,901	325,471
43b	Proposed system profit before tax	Kbv m						
43c	Generation	Kbv m.	44,700	0	33,550	0	10	78,259
43d	LVNO services	Kbv m.	45,290	35,596	40,199	42,591	109,753	273,430
43e	LES services	Kbv m	4,683	3,846	4,326	4,353	11,641	28,848
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	94,673	39,442	78,075	46,944	121,404	380,538
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	37,423	1,998	32,417	(35,275)	18,503	55,067
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	(46,974)	83,343	115,409	40,967	99,172	291,917
	REVENUE CHANGES							
45	Existing system revenue	Kbv m	1,406,230	580,934	530,751	775,510	1,844,206	5,137,631
46	Proposed system revenue	Kbv m	1,359,256	664,277	646,160	816,477	1,943,378	5,429,548
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	(46,974)	83,343	115,409	40,967	99,172	291,917

Oblenergo Financial Results (as provided by Minenergo), August 1995

Odessanergo

		Units	ACTUAL DATA Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	TOTAL
	1	2	3 1.	3.2	3 3	
1	Production of electrical energy	m. kWh	7.60	5.30	14.00	26.90
2	Energy supply from buses	m kWh	5.654	3 757	10 28	19 69
3	Useful supply of electric energy	m kWh	256 00	275 00	452.00	983 00
4	Useful supply to internal consumers	m kWh	256 00	275 00	452 00	983 00
5	Manufacturing cost					
	Services of production character	m. Kbv	2244	220	4800	7264
	Additional materials and raw materials	m Kbv	3477	3000	9800	16277
	Fuel from external sources	m Kbv	53015	26035	58620	137670
	Energy from external sources	m. Kbv	2020	5900	3450	11370
	Labor costs	m. Kbv	38752	38014	67424	144190
	Payments to social security fund	m Kbv	14338	14065	24947	53350
	Payments to employment fund	m Kbv	775	760	1348	2884
	Payments to Chernobyl fund	m. Kbv	4650	4562	8091	17303
	Depreciation for complete	m. Kbv	8306	8800	11600	28706
	Spendings for repairs	m Kbv	19889	28000	55000	102889
	Other payments	m Kbv	8548	13000	27555	49103
	credit interest included	m Kbv	0	0	0	0
	Total production costs	m Kbv	156015	142356	272635	571006
		m Kbv				
	Spending for services not included in total product	m Kbv	0	0	0	0
	Bought energy - total	m. Kbv.	1233022	1307308	2109594	4649924
	Manufacturing costs of total commercial product	m Kbv	1389037	1449664	2382229	5220930
		m Kbv				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m. Kbv	48446	50852	84716	184015
		m Kbv.				
	Payments for development of wind energy production (0.5% of total sales)	m Kbv	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	12	0	12
		m Kbv				
	Manufacturing cost of commercial product	m Kbv.	1437482	1500529	2466946	5404956
7	Tax benefits - total	m Kbv	0	0	0	0
8	Capital investments	m Kbv.	14636	41320	32900	88856
8 1	Depreciation	m Kbv	8306	8800	11600	28706
8 2	From income	m Kbv.	6330	32520	21300	60150
8 3	From income for rural power networks	m. Kbv.	0	0	0	0
		m Kbv.				
		m. Kbv.				
9	Current spending from income (without capital investment)	m Kbv	33182	28108	72004	133294
	including.	m. Kbv.				0
	- funds directed for production development	m Kbv				0
	- social funds	m Kbv	11620	5600	35000	52220
	- payments to centralized funds	m Kbv	21562	22508	37004	81074
	- increases in turnover funds	m Kbv				0
	- remuneration funds	m Kbv				0
	- other purposes	m Kbv				0
10	Income	m Kbv	33512	60028	120588	214128
11	Balance income	m Kbv	76446	88611	180440	345497
12	Payments for land	m Kbv	20000	2000	5720	27720
13	Income tax	m Kbv	22934	26583	54132	103649
14	Exports	m. Kbv	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	1513928	1589140	2647386	5750454
16	Income from electric energy [Profit before tax & land payment]	m Kbv	76446	88611	180440	345498
17	Energy supply to internal consumers	m Kbv	1513928	1589140	2647386	5750454
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5914	5779	5857	5850
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	5 50%	6 11%	7 57%	6 62%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5615	5456	5458	5498
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4736	4398	4511	4536
	ENERGY TARIFF APPROVED	Kbv /kWh	4740	4400	4510	4540
	AVERAGE PRICE					
	Energy from block stations	m. Kbv		0	0	27
	Energy bought from National Dispatch Center	m Kbv	1233022	1307308	2109594	4649897
	Energy bought from National Dispatch Center	m. kWh	260.346	297 243	467 62	1025
	Profitability	%	5.05%	3 87%	6 68%	5 47%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv./kWh	592	608	661	628
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m. Kbv	1234040	1307869	2108966	4654449

Oblenergo Income Statement (August 1995)

Odessanergo

			WHOLESALE MARKET COST ALLOCATION			
			Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	
		Units				
	1	2	3.1	3 2	3 3	TOTAL
1	Total oblenergo operating costs	m Kbv	156015	142368	272635	571018
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m Kbv	1990	1395	3684	7069
2 1	Fossil	m. Kbv	1737	1395	3684	6816
2 2	Hydro	m Kbv	253	0	0	253
3	Fuel	m Kbv	53015	26035	58620	137670
4	Total generation costs (4)=(2)+(3)	m Kbv	55005	27430	62304	144739
	Generation profit					
5	Revenue	m Kbv	25236	16769	45883	87888
6	Allocated generation costs (6)=(4)	m Kbv	55005	27430	62304	144739
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	-29769	-10661	-16421	-56851
9	Income tax (9)= 30% of (8)	m Kbv.	-8931	-3198	-4926	-17055
10	Profit before land payments (10)=(8)-(9)	m. Kbv.	-20838	-7463	-11495	-39796
11	Payments for land	m Kbv	46	32	85	163
12	Generator profit (12)=(10)-(11)	m Kbv	-20884	-7495	-11580	-39959
	LVNO FUNCTION					
13	Revenue requirement	m Kbv	184529	164195	304958	653682
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	101010	114938	210331	426279
15	LVNO costs (15)= 90% of (14)	m. Kbv.	90909	103445	189298	383651
16	Payments to investment fund, labor safety fund, and road fund	m. Kbv	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	93620	60751	115660	270031
18	Income tax (18)= 30% of (17)	m Kbv	28086	18225	34698	81009
19	Profit before land payments (19)=(17)-(18)	m. Kbv.	65534	42525	80962	189022
20	Payments for land	m. Kbv.	19954	1968	5635	27557
21	LVNO profit (21)= Assigned % of (13)	m Kbv	45580	40558	75327	161465
	LES FUNCTION					
22	Revenue	m. Kbv.	15609	17761	32502	65872
23	LES costs (27)= 10% of (14)	m Kbv	10101	11494	21033	42628
24	Income from electric energy (27)=(22)-(25)	m Kbv	5508	6267	11469	23244
25	Income tax (28)= 30% of (27)	m Kbv	1652	1880	3441	6973
26	Income (29)= Assigned % of (22)	m Kbv	3856	4387	8028	16271
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m Kbv.	28551	37450	71776	137777
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	1186136	1354239	2130477	4670852
28b	Self-generation					
28c	Sales to Energomarket	m Kbv.	25236	16769	45883	87888
28d	Energomarket costs	m Kbv	524	348	952	1824
28e	Total of self-generation	m Kbv	25760	17117	46836	89712
28f	Block stations	m. Kbv	45560	12301	18224	76085
28g	Total power supply	m Kbv	1257456	1383657	2195536	4836650
29	LVNO services	m Kbv	184529	164195	304958	653682
30	LES services	m Kbv	15609	17761	32502	65872
31	Total costs of retail supply	m. Kbv.	1457594	1565614	2532997	5556204
32	Gross receipts tax	m Kbv	48185	51756	83735	183676
33	Total costs	m Kbv	1505779	1617369	2616732	5739880
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv /kWh	4912	5031	4857	4920
35	LVNO services	Kbv /kWh	721	597	675	665
36	LES services	Kbv /kWh	61	65	72	67
37	Gross receipts tax	Kbv /kWh	188	188	185	187
38	Total Price	Kbv /kWh	5882	5881	5789	5839

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		Mykolaiv Oblenergo	Kherson Oblenergo	Odessa Oblenergo	TOTAL
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	4,736	4,398	4,511	4,536
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(180)	158	45	20
39d	Quantity	kWh m.	260	297	468	1,025
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(46,886)	46,931	20,883	20,955
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	0	0	2
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	4,556	4,556	4,554
40d	Quantity	kWh m	10.00	2 70	4 00	16 70
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m.	45,560	12,301	18,224	76,058
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93
41d	Self generation	kWh m.	5 65	3 76	10 28	19 69
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m.	524	348	952	1,824
	Gross receipts tax					
42a	Existing system	Kbv m	48,446	50,852	84,716	184,015
42b	Proposed system	Kbv m	48,185	51,756	83,735	183,676
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	(261)	903	(981)	(338)
	Profit before tax					
43a	Existing system profit before tax	Kbv m	76,446	88,611	180,440	345,498
43b	Proposed system profit before tax	Kbv m				
43c	Generation	Kbv m	(29,769)	(10,661)	(16,421)	(56,851)
43d	LVNO services	Kbv m.	93,620	60,751	115,660	270,031
43e	LES services	Kbv m	5,508	6,267	11,469	23,244
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m.	69,359	56,357	110,709	236,425
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m.	(7,087)	(32,254)	(69,732)	(109,073)
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m.	(8,149)	28,229	(30,654)	(10,574)
	REVENUE CHANGES					
45	Existing system revenue	Kbv m.	1,513,928	1,589,140	2,647,386	5,750,454
46	Proposed system revenue	Kbv m.	1,505,779	1,617,369	2,616,732	5,739,880
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	(8,149)	28,229	(30,654)	(10,574)

Oblenergo Financial Results (as provided by Minenergo), August 1995

Kharkovenergo

		Units	ACTUAL DATA			
			Poltava Oblenergo	Sumi Oblenergo	Kharkhov Oblenergo	
	1	2	3.3	3 4	3 5	TOTAL
1	Production of electrical energy	m kWh	54 00	4.00	213 00	271 00
2	Energy supply from buses	m. kWh	46 10	3 60	194 08	243 78
3	Useful supply of electric energy	m kWh	365 80	188 00	527 60	1081 40
4	Useful supply to internal consumers	m kWh	365 80	188 00	527.60	1081 40
5	Manufacturing cost					
	Services of production character	m Kbv	3000	2440	24950	30390
	Additional materials and raw materials	m Kbv	12000	5600	16500	34100
	Fuel from external sources	m Kbv	161130	21938	795457	978525
	Energy from external sources	m. Kbv	4000	4370	15000	23370
	Labor costs	m Kbv	56479	45028	113286	214793
	Payments to social security fund	m Kbv	20897	16660	41916	79473
	Payments to employment fund	m Kbv.	1130	901	2266	4296
	Payments to Chernobyl fund	m Kbv.	6777	5403	13594	25775
	Depreciation for complete	m. Kbv	15000	12393	9315	36708
	Spendings for repairs	m Kbv	0	0	0	0
	Other payments	m Kbv	52500	77770	50834	181104
	credit interest included	m Kbv	27500	0	144200	171700
	Total production costs	m Kbv	332913	192503	1083118	1608534
		m Kbv				
	Spending for services not included in total product	m Kbv.	4500	2100	7100	13700
	Bought energy - total	m. Kbv	1572363	763508	1879686	4215557
	Manufacturing costs of total commercial product	m. Kbv	1900776	953911	2955704	5810391
		m Kbv				
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m. Kbv	65547	34707	102452	202706
		m. Kbv.				
	Payments for development of wind energy production (0 5% of total sales)	m. Kbv.	0	0	0	0
	Payments for exhausts within limits	m Kbv.	0	0	210	210
		m. Kbv				
	Manufacturing cost of commercial product	m. Kbv	1966323	988618	3058366	6013307
7	Tax benefits - total	m Kbv	0	0	0	0
8	Capital investments	m Kbv	30870	52833	41835	125538
8 1	Depreciation	m Kbv	15000	12393	9315	36708
8 2	From income	m Kbv	15870	40440	32520	88830
8 3	From income for rural power networks	m Kbv	0	0	0	0
		m Kbv				
		m Kbv.				
9	Current spending from income (without capital investment)	m Kbv	39995	26103	66259	132357
	including	m Kbv				0
	- funds directed for production development	m. Kbv				0
	- social funds	m. Kbv	10500	11274	20383	42157
	- payments to centralized funds	m Kbv	29495	14829	45876	90200
	- increases in turnover funds	m Kbv				0
	- remuneration funds	m Kbv				0
	- other purposes	m. Kbv				0
10	Income	m. Kbv.	55205	66274	98132	219610
11	Balance income	m Kbv	82007	95962	143273	321242
12	Payments for land	m Kbv	2200	900	2160	5260
13	Income tax	m Kbv	24602	28789	42982	96373
14	Exports	m Kbv	0	0	0	0
15	Sales of electric energy (services) [Revenue]	m Kbv	2048330	1084580	3201640	6334550
16	Income from electric energy [Profit before tax & land payment]	m Kbv	82007	95962	143274	321243
17	Energy supply to internal consumers	m Kbv	2048330	1084580	3201640	6334550
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5600	5769	6068	5858
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh				
20	Profitability of electric energy	%	4 31%	10 06%	4 85%	5 53%
21	Manufacturing cost of electric energy [Average total cost]	Kbv /kWh	5375	5259	5797	5561
	FOR INFORMATION					
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4625	3758	4542	4408
	ENERGY TARIFF APPROVED	Kbv /kWh	4620	3760	4540	4410
	AVERAGE PRICE					
	Energy from block stations	m Kbv	0	15600	8200	23800
	Energy bought from National Dispatch Center	m Kbv	1572363	747908	1871486	4191757
	Energy bought from National Dispatch Center	m. kWh	340 00	199 00	412.02	951.02
	Profitability	%	3.48%	5.82%	3 75%	4 00%
	Index of tariff increase for electric energy					
	Constant spending for kilowatt hour	Kbv /kWh	636	1081	726	758
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv	1570800	748240	1870571	4193998

Oblenergo Income Statement (August 1995)

Kharkovenergo

		Units	WHOLESALE MARKET COST ALLOCATION			
			Poltava Oblenergo	Sumi Oblenergo	Kharkhov Oblenergo	
	1	2	3.1	3 2	3.3	TOTAL
1	Total oblenergo operating costs	m Kbv	328413	190403	1076228	1595044
	GENERATION FUNCTION					
	Allocation of generation costs					
2	Non-fuel generation costs	m. Kbv	13657	1012	53869	68538
2 1	Fossil	m. Kbv	0	0	0	0
2 2	Hydro	m Kbv	13657	1012	53869	68538
3	Fuel	m Kbv	161130	21938	795457	978525
4	Total generation costs (4)=(2)+(3)	m Kbv.	174787	22950	849326	1047063
	Generation profit					
5	Revenue	m. Kbv	205761	16068	866249	1088078
6	Allocated generation costs (6)=(4)	m Kbv	174787	22950	849326	1047063
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0	0	0	0
8	Income from electric energy (8)=(5)-(6)-(7)	m Kbv	30974	-6882	16923	41015
9	Income tax (9)= 30% of (8)	m Kbv.	9292	-2064	5077	12305
10	Profit before land payments (10)=(8)-(9)	m Kbv	21682	-4817	11846	28711
11	Payments for land	m Kbv	328	24	1293	1645
12	Generator profit (12)=(10)-(11)	m Kbv	21354	-4841	10553	27065
	LVNO FUNCTION					
13	Revenue requirement	m Kbv	217789	234820	317478	770088
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv	153626	167454	226902	547982
15	LVNO costs (15)= 90% of (14)	m Kbv	138264	150708	204212	493184
16	Payments to investment fund, labor safety fund, and road fund	m Kbv.	0	0	0	0
17	Income from electric energy (17)=(13)-(15)-(16)	m Kbv	79526	84112	113267	276904
18	Income tax (18)= 30% of (17)	m Kbv	23858	25234	33980	83071
19	Profit before land payments (19)=(17)-(18)	m Kbv	55668	58878	79287	193833
20	Payments for land	m. Kbv	1872	876	867	3615
21	LVNO profit (21)= Assigned % of (13)	m. Kbv	53796	58003	78420	190218
	LES FUNCTION					
22	Revenue	m Kbv	23740	25876	35063	84679
23	LES costs (27)= 10% of (14)	m Kbv	15363	16745	22690	54798
24	Income from electric energy (27)=(22)-(25)	m Kbv	8377	9131	12373	29881
25	Income tax (28)= 30% of (27)	m Kbv.	2513	2739	3712	8964
26	Income (29)= Assigned % of (22)	m Kbv	5864	6392	8661	20916
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv.	81014	59553	97633	238200
	RETAIL TARIFF COST COMPONENTS					
28	Power supply					
28a	Energomarket purchases	m Kbv	1549040	906644	1877163	4332847
28b	Self-generation					
28c	Sales to Energomarket	m. Kbv	205761	16068	866249	1088078
28d	Energomarket costs	m Kbv	4271	334	17980	22584
28e	Total of self-generation	m Kbv	210032	16402	884228	1110662
28f	Block stations	m Kbv	0	118456	68340	186796
28g	Total power supply	m Kbv	1759072	1041502	2829732	5630305
29	LVNO services	m Kbv	217789	234820	317478	770088
30	LES services	m Kbv	23740	25876	35063	84679
31	Total costs of retail supply	m Kbv.	2000601	1302198	3182272	6485071
32	Gross receipts tax	m Kbv	66136	43048	105199	214383
33	Total costs	m Kbv	2066736	1345246	3287471	6699454
	RETAIL TARIFF PRICE COMPONENTS					
34	Power supply	Kbv /kWh	4809	5540	5363	5206
35	LVNO services	Kbv /kWh	595	1249	602	712
36	LES services	Kbv /kWh	65	138	66	78
37	Gross receipts tax	Kbv /kWh	181	229	199	198
38	Total Price	Kbv /kWh	5650	7156	6231	6195

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES					
	Purchase price					
39	NDC purchase price					
39a	Effective price from NDC	Kbv/kWh	4,625	3,758	4,542	4,408
39b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	(69)	798	14	148
39d	Quantity	kWh m.	340	199	412	951
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m	(23,323)	158,736	5,677	141,090
40	Block station purchase price					
40a	Effective price from block stations	Kbv/kWh	0	600	547	580
40b	Price from Energomarket	Kbv/kWh	4,556	4,556	4,556	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	4,556	3,956	4,009	3,976
40d	Quantity	kWh m	0 00	26.00	15.00	41 00
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	0	102,856	60,140	162,996
	Sales price					
41a	Pool sales price (PSP)	Kbv/kWh	4,556	4,556	4,556	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463	4,463	4,463	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93	93	93	93
41d	Self generation	kWh m	46.10	3 60	194 08	243 78
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m.	4,271	334	17,980	22,584
	Gross receipts tax					
42a	Existing system	Kbv m	65,547	34,707	102,452	202,706
42b	Proposed system	Kbv m	66,136	43,048	105,199	214,383
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m.	589	8,341	2,747	11,677
	Profit before tax					
43a	Existing system profit before tax	Kbv m	82,007	95,962	143,274	321,243
43b	Proposed system profit before tax	Kbv m				
43c	Generation	Kbv m	30,974	(6,882)	16,923	41,015
43d	LVNO services	Kbv m	79,526	84,112	113,267	276,904
43e	LES services	Kbv m	8,377	9,131	12,373	29,881
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	118,877	86,361	142,562	347,800
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m	36,869	(9,601)	(712)	26,557
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	18,406	260,666	85,831	364,904
	REVENUE CHANGES					
45	Existing system revenue	Kbv m.	2,048,330	1,084,580	3,201,640	6,334,550
46	Proposed system revenue	Kbv m	2,066,736	1,345,246	3,287,471	6,699,454
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	18,406	260,666	85,831	364,904

Sum of All Oblenergos

		Units	TOTAL
	1	2	3
1	Production of electrical energy	m. kWh	837
2	Energy supply from buses	m. kWh	730
3	Useful supply of electric energy	m kWh	11229
4	Useful supply to internal consumers	m. kWh	11227
5	Manufacturing cost		
	Services of production character	m Kbv	152356
	Additional materials and raw materials	m Kbv	307218
	Fuel from external sources	m Kbv	2564674
	Energy from external sources	m Kbv.	114023
	Labor costs	m Kbv.	1421412
	Payments to social security fund	m Kbv	525922
	Payments to employment fund	m. Kbv.	28428
	Payments to Chernobyl fund	m. Kbv.	170569
	Depreciation for complete	m Kbv	333171
	Spendings for repairs	m Kbv	609093
	Other payments	m Kbv.	964276
	credit interest included	m Kbv	243348
	Total production costs	m Kbv	7191143
	Spending for services not included in total product	m Kbv	45160
	Bought energy - total	m. Kbv	51459322
	Manufacturing costs of total commercial product	m Kbv	58605305
	Payments to investment fund, labor safety fund, and road fund (3 2% of sal	m Kbv	2039189
	Payments for development of wind energy production (0 5% of total sales)	m Kbv.	0
	Payments for exhausts within limits	m. Kbv.	484
	Manufacturing cost of commercial product	m. Kbv	60644978
7	Tax benefits - total	m. Kbv.	0
8	Capital investments	m Kbv	888831
8 1	Depreciation	m. Kbv.	333171
8.2	From income	m Kbv.	555660
8 3	From income for rural power networks	m Kbv.	0
9	Current spending from income (without capital investment)	m Kbv	1159405
	including	m Kbv	0
	- funds directed for production development	m Kbv	0
	- social funds	m Kbv	94377
	- payments to centralized funds	m. Kbv	171274
	- increases in turnover funds	m Kbv	0
	- remuneration funds	m Kbv.	0
	- other purposes	m. Kbv	0
10	Income	m Kbv	2064071
11	Balance income	m Kbv	3051130
12	Payments for land	m Kbv.	91698
13	Income tax	m Kbv.	923901
14	Exports	m Kbv	0
15	Sales of electric energy (services) [Revenue]	m Kbv	63724647
16	Income from electric energy [Profit before tax & land payment]	m Kbv	3079669
17	Energy supply to internal consumers	m Kbv	63724647
18	Tariff for internal consumers [Average revenue]	Kbv /kWh	5676
19	Tariff for transmitting to National Dispatch Center	Kbv /kWh	
20	Profitability of electric energy	%	5 25%
21	Manufacturing cost of electric energy [Average total cost]	Kbv./kWh	5401
	FOR INFORMATION		
	Electric Energy Tariff from National Dispatch Center	Kbv /kWh	4535
	ENERGY TARIFF APPROVED	Kbv /kWh	4540
	AVERAGE PRICE		
	Energy from block stations	m Kbv	308818
	Energy bought from National Dispatch Center	m Kbv	51150504
	Energy bought from National Dispatch Center	m. kWh	11278.95
	Profitability	%	4 31%
	Index of tariff increase for electric energy		
	Constant spending for kilowatt hour	Kbv /kWh	590
	Useful supply times approved energy tariff [as calculated in Minenergo file]	m Kbv.	51206431

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Oblenergo Income Statement (August 1995)

Sum of All Oblenergos

		Units	TOTAL
	1	2	3
1	Total oblenergo operating costs	m Kbv	7146467
	GENERATION FUNCTION		
	Allocation of generation costs		
2	Non-fuel generation costs	m Kbv	217925
2.1	Fossil	m Kbv.	145260
2.2	Hydro	m Kbv	72665
3	Fuel	m Kbv	2564674
4	Total generation costs (4)=(2)+(3)	m Kbv	2782599
	Generation profit		
5	Revenue	m. Kbv	3291514
6	Allocated generation costs (6)=(4)	m Kbv.	2782599
7	Payments to investment fund, labor safety fund, and road fund	m Kbv	0
8	Income from electric energy (8)=(5)-(6)-(7)	m. Kbv	508915
9	Income tax (9)= 30% of (8)	m Kbv.	152674
10	Profit before land payments (10)=(8)-(9)	m Kbv.	356240
11	Payments for land	m Kbv	5081
12	Generator profit (12)=(10)-(11)	m Kbv.	351160
	LVNO FUNCTION		
13	Revenue requirement	m. Kbv	6260281
14	Total LES/LVNO costs (14)=(1)-(4)	m Kbv.	4363868
15	LVNO costs (15)= 90% of (14)	m. Kbv.	3927481
16	Payments to investment fund, labor safety fund, and road fund	m Kbv	0
17	Income from electric energy (17)=(13)-(15)-(16)	m. Kbv	2332800
18	Income tax (18)= 30% of (17)	m. Kbv.	699840
19	Profit before land payments (19)=(17)-(18)	m Kbv	1632960
20	Payments for land	m. Kbv	86617
21	LVNO profit (21)= Assigned % of (13)	m Kbv.	1546343
	LES FUNCTION		
22	Revenue	m Kbv	674341
23	LES costs (27)= 10% of (14)	m Kbv.	436387
24	Income from electric energy (27)=(22)-(25)	m Kbv.	237954
25	Income tax (28)= 30% of (27)	m Kbv.	71386
26	Income (29)= Assigned % of (22)	m Kbv.	166568
27	**Total Oblenergo Profit (27)=(12)+(21)+(26)**	m. Kbv.	2064071
	RETAIL TARIFF COST COMPONENTS		
28	Power supply		
28a	Energomarket purchases	m Kbv	51386894
28b	Self-generation		
28c	Sales to Energomarket	m Kbv.	3291514
28d	Energomarket costs	m Kbv	68317
28e	Total of self-generation	m Kbv	3359831
28f	Block stations	m Kbv	1348576
28g	Total power supply	m Kbv	56095301
29	LVNO services	m Kbv	6260281
30	LES services	m Kbv.	674341
31	Total costs of retail supply	m Kbv	63029924
32	Gross receipts tax	m. Kbv.	2083634
33	Total costs	m. Kbv	65113558
	RETAIL TARIFF PRICE COMPONENTS		
34	Power supply	Kbv./kWh	4996
35	LVNO services	Kbv /kWh	558
36	LES services	Kbv./kWh	60
37	Gross receipts tax	Kbv /kWh	186
38	Total Price	Kbv /kWh	5799

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

	REVENUE COMPONENT CHANGES		
	Purchase price		
39	NDC purchase price		
39a	Effective price from NDC	Kbv/kWh	4,535
39b	Price from Energomarket	Kbv/kWh	4,556
39c	Change in NDC/Energomarket price (39c)=(39b)-(39a)	Kbv/kWh	21
39d	Quantity	kWh m.	11,279
39e	Net effect on revenues (39e)=(39c)x(39d)	Kbv m.	236,390
40	Block station purchase price		
40a	Effective price from block stations	Kbv/kWh	1,043
40b	Price from Energomarket	Kbv/kWh	4,556
40c	Change in block station/Energomarket price (40c)=(40b)-(40a)	Kbv/kWh	3,513
40d	Quantity	kWh m.	296
40e	Net efffect on revenues (40e)=(40c)x(40d)	Kbv m	1,039,758
	Sales price		
41a	Pool sales price (PSP)	Kbv/kWh	4,556
41b	Pool purchase price (PPP)	Kbv/kWh	4,463
41c	PSP-PPP (41c)=(41a)-(41b)	Kbv/kWh	93
41d	Self generation	kWh m	737
41e	Net effect on revenues (41e)=(41c)x(41d)	Kbv m	68,317
	Gross receipts tax		
42a	Existing system	Kbv m	2,039,189
42b	Proposed system	Kbv m	2,083,634
42c	Net effect on revenues (42c)=(42b)-(42a)	Kbv m	44,445
	Profit before tax		
43a	Existing system profit before tax	Kbv m	3,079,669
43b	Proposed system profit before tax	Kbv m	
43c	Generation	Kbv m.	508,915
43d	LVNO services	Kbv m	2,332,800
43e	LES services	Kbv m	237,954
43f	Total proposed profit (43f)=(43c)+(43d)+(43e)	Kbv m	3,079,669
43g	Net effect on revenues (43g)=(43f)-(43a)	Kbv m.	0
44	**Total Revenue Component Changes (44)=(39e)+(40e)+(41e)+(42c)+(43g)**	Kbv m	1,388,911
	REVENUE CHANGES		
45	Existing system revenue	Kbv m	63,724,647
46	Proposed system revenue	Kbv m	65,113,558
47	**Difference in Revenue (47)=(46)-(45)**	Kbv m	1,388,911

July

Oblenergo	Self-Production (m. kWh)	NDC Energy (m. kWh)	Sales (m. kWh)	Revenue, Current and Proposed Current (m. Kbv.)	Proposed (m. Kbv.)	Change (m. Kbv.)	% Change (%)
Khmelnytsky	0.3	184	169	744,268	868,200	123,932	16.7
Ternopil	1 0	102	97	401,933	511,671	109,738	27.3
Chernivsti	0.0	77	70	291,407	396,228	104,821	36.0
Vinnytsia	3.2	230	207	950,292	1,244,659	294,367	31.0
Dnipro	0.0	2,077	2,020	10,145,231	9,373,582	(771,649)	(7 6)
Kirovograd	1.5	229	215	978,791	1,325,882	347,091	35.5
Zaporozhye	0.0	882	850	4,365,036	4,127,184	(237,852)	(5.4)
Lugansk	9.6	1,002	971	5,021,019	4,434,926	(586,093)	(11.7)
Donetsk	11.6	2,109	1,960	9,728,103	9,363,699	(364,404)	(3.7)
Kiev(oblast)	0.1	290	270	1,271,369	1,498,830	227,461	17.9
Kiev (city)	361.0	15	343	1,737,621	2,036,614	298,993	17.2
Zhitomar	0.0	174	160	766,322	897,375	131,053	17.1
Cherkassy	32.0	272	277	1,272,172	1,424,518	152,346	12.0
Chernigov	37.0	120	138	639,107	732,847	93,740	14.7
Sevastopol	0.6	64	58	314,401	315,596	1,195	0.4
Crimea	29.2	493	420	2,141,523	2,290,890	149,367	7.0
Ivano-Frankovsk	43.0	227	235	1,203,658	1,207,681	4,023	0.3
Volyn	0.0	119	100	497,792	631,422	133,630	26.8
Zakarpattya	13.7	101	98	449,316	571,805	122,489	27.3
Rovno	0.0	166	153	782,369	812,201	29,832	3.8
Lviv	4.5	334	299	1,570,800	1,705,679	134,879	8.6
Mykolaiv	7.6	265	246	1,124,216	1,377,926	253,710	22.6
Kherson	6.2	322	292	1,330,508	1,499,823	169,315	12.7
Odessa	0.0	427	400	1,877,044	2,006,714	129,670	6.9
Poltava	54.0	328	355	1,792,823	1,799,514	6,691	0.4
Sumi	3.0	188	174	851,128	1,122,355	271,227	31.9
Kharkov	149.0	343	440	2,178,064	2,453,509	275,445	12.6
Total	768.1	11,140	11,015	54,426,313	56,031,329	1,605,016	2.9

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August

Oblenergo	Self-Production (m. kWh)	NDC Energy (m. kWh)	Sales (m. kWh)	Revenue, Current and Proposed Current (m. Kbv.)	Proposed (m. Kbv.)	Change (m. Kbv.)	% Change (%)
Khmelnytsky	0.3	186	171	956,980	1,042,250	85,270	8.9
Ternopil	1.0	107	101	530,685	712,770	182,085	34.3
Chernivsti	0.0	75	68	366,249	454,338	88,089	24.1
Vinnytsia	3.1	246	224	1,277,919	1,524,269	246,350	19.3
Dnipro	0.0	2,043	1,990	11,118,072	10,474,799	(643,273)	(5.8)
Kirovograd	1.0	225	210	1,150,060	1,490,060	340,000	29.6
Zaporozhye	0.0	984	940	5,283,141	5,259,002	(24,139)	(0.5)
Lugansk	11.1	1,012	987	5,469,429	5,125,078	(344,351)	(6.3)
Donetsk	1.3	2,046	1,920	10,534,360	10,487,411	(46,949)	(0.4)
Kiev(oblast)	1.0	300	280	1,613,791	1,745,102	131,311	8.1
Kiev (city)	354.0	70	347	2,061,769	2,541,645	479,876	23.3
Zhitomar	0.0	180	160	927,886	1,047,759	119,873	12.9
Cherkassy	48.0	268	282	1,571,048	1,631,420	60,372	3.8
Chernigov	37.0	99	112	648,308	767,592	119,284	18 4
Sevastopol	0.0	66	58	344,456	366,966	22,510	6.5
Crimea	25.1	475	460	2,647,859	2,574,215	(73,644)	(2.8)
Ivano-Frankovsk	46.0	219	233	1,406,230	1,359,256	(46,974)	(3.3)
Volyn	0.0	117	99	580,934	664,277	83,343	14.3
Zakarpattya	8.0	102	93	530,751	646,160	115,409	21.7
Rovno	0.0	146	133	775,510	816,477	40,967	5.3
Lviv	2.0	336	297	1,844,206	1,943,378	99,172	5.4
Mykolaiv	7.6	260	256	1,513,928	1,505,779	(8,149)	(0.5)
Kherson	5.3	297	275	1,589,140	1,617,369	28,229	1.8
Odessa	14.0	468	452	2,647,386	2,616,732	(30,654)	(1.2)
Poltava	54.0	340	366	2,048,330	2,066,736	18,406	0.9
Sumi	4.0	199	188	1,084,580	1,345,246	260,666	24.0
Kharkov	213.0	412	528	3,201,640	3,287,471	85,831	2.7
Total	836.8	11,279	11,229	63,724,647	65,113,558	1,388,911	2.2

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July

Oblenergo	Reported Cost Components				Calculated Cost Components				Changes in Cost Components			
	NDC Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)	ESE Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)	ESE Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)
Khmelnytsky	3,894	17	493	4,404	4,405	161	572	5,137	511	144	79	733
Ternopil	3,462	34	648	4,144	4,285	253	737	5,275	823	219	89	1,131
Chernivsti	3,394	8	763	4,165	4,450	284	930	5,664	1,056	276	166	1,498
Vinnytsia	3,689	4	905	4,597	4,594	375	1,053	6,022	905	371	148	1,424
Dnipro	4,410	235	377	5,022	4,309	48	284	4,640	(101)	(188)	(93)	(382)
Kirovograd	3,413	17	1,122	4,553	4,419	427	1,321	6,167	1,006	409	200	1,614
Zaporozhye	4,374	215	546	5,135	4,234	123	498	4,856	(139)	(92)	(48)	(280)
Lugansk	4,449	292	431	5,171	4,217	58	293	4,567	(232)	(234)	(138)	(604)
Donetsk	4,442	188	334	4,963	4,488	35	254	4,777	46	(152)	(80)	(186)
Kiev(oblast)	3,993	0	709	4,702	4,692	175	677	5,543	698	175	(32)	841
Kiev (city)	268	670	4,128	5,066	4,424	1,219	294	5,938	4,156	549	(3,834)	872
Zhitomar	3,831	107	866	4,805	4,402	264	960	5,626	570	157	94	822
Cherkassy	3,614	11	969	4,594	4,351	136	656	5,144	737	126	(313)	550
Chernigov	2,413	412	1,824	4,648	4,473	93	764	5,330	2,060	(318)	(1,060)	682
Sevastopol	4,541	167	760	5,468	4,526	205	758	5,489	(15)	38	(2)	21
Crimea	4,490	0	609	5,099	4,926	72	457	5,455	436	71	(152)	356
Ivano-Frankovsk	4,240	31	851	5,122	4,546	236	357	5,139	306	205	(494)	17
Volyn	3,983	28	967	4,978	4,802	361	1,152	6,314	819	332	185	1,336
Zakarpattya	3,733	83	764	4,581	4,734	621	475	5,830	1,001	537	(290)	1,249
Rovno	4,446	25	643	5,114	4,367	212	729	5,309	(78)	187	86	195
Lviv	4,312	127	815	5,254	4,577	272	856	5,705	265	145	42	451
Mykolaiv	3,709	16	850	4,576	4,603	153	851	5,608	894	137	1	1,033
Kherson	4,082	5	470	4,557	4,556	110	471	5,136	474	105	1	580
Odessa	4,216	2	475	4,693	4,348	129	540	5,017	132	127	65	324
Poltava	3,824	140	1,086	5,050	4,246	218	604	5,069	422	78	(482)	19
Sumi	3,349	313	1,229	4,892	5,025	318	1,107	6,450	1,677	4	(122)	1,559
Kharkov	3,056	0	1,894	4,950	4,544	274	758	5,576	1,488	274	(1,136)	626

August

Oblenergo	Reported Cost Components				Calculated Cost Components				Changes in Cost Components			
	NDC Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)	ESE Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)	ESE Cost (Kbv/kWh)	Profit (Kbv/kWh)	Other (Kbv/kWh)	Total (Kbv/kWh)
Khmelnytsky	4,423	286	904	5,613	4,989	234	890	6,113	566	(52)	(14)	500
Ternopil	3,554	183	1,517	5,254	4,872	513	1,673	7,057	1,317	330	155	1,803
Chernivsti	4,050	171	1,166	5,386	5,046	351	1,284	6,681	996	181	119	1,295
Vinnytsia	3,900	467	1,350	5,718	5,119	401	1,301	6,820	1,219	(67)	(50)	1,102
Dnipro	5,106	102	379	5,587	4,860	55	349	5,264	(246)	(47)	(30)	(323)
Kirovograd	3,795	194	1,487	5,476	5,011	454	1,630	7,096	1,216	260	142	1,619
Zaporozhye	4,853	136	631	5,620	4,819	143	633	5,595	(34)	6	2	(26)
Lugansk	4,914	168	459	5,541	4,734	75	384	5,193	(180)	(94)	(75)	(349)
Donetsk	4,922	146	419	5,487	5,014	64	384	5,462	92	(81)	(36)	(24)
Kiev(oblast)	4,746	135	884	5,766	5,280	172	783	6,235	534	36	(102)	469
Kiev (city)	1,003	181	4,749	5,934	5,639	1,298	377	7,315	4,636	1,117	(4,372)	1,381
Zhitomar	4,537	188	1,075	5,799	5,127	282	1,139	6,548	591	94	64	749
Cherkassy	3,872	365	1,333	5,571	4,983	181	621	5,785	1,111	(185)	(712)	214
Chernigov	2,673	527	2,578	5,778	5,327	288	1,226	6,841	2,653	(238)	(1,352)	1,063
Sevastopol	4,820	254	916	5,991	5,226	235	921	6,382	406	(19)	4	391
Crimea	4,692	220	844	5,756	4,911	101	585	5,596	218	(119)	(259)	(160)
Ivano-Frankovsk	4,728	165	1,143	6,035	5,064	277	493	5,834	336	112	(650)	(202)
Volyn	4,590	260	1,018	5,868	5,384	274	1,051	6,710	795	14	33	842
Zakarpattya	4,159	337	1,211	5,707	5,394	581	973	6,948	1,235	244	(238)	1,241
Rovno	4,426	421	984	5,831	4,989	235	914	6,139	563	(186)	(70)	308
Lviv	4,934	235	1,037	6,205	5,203	278	1,058	6,539	269	44	21	334
Mykolaiv	4,816	131	966	5,914	4,912	112	858	5,882	95	(19)	(108)	(32)
Kherson	4,754	218	807	5,779	5,031	136	714	5,881	278	(82)	(93)	103
Odessa	4,667	267	923	5,857	4,857	159	773	5,789	190	(108)	(150)	(68)
Poltava	4,298	151	1,150	5,600	4,809	221	620	5,650	510	71	(531)	50
Sumi	3,978	353	1,438	5,769	5,540	317	1,299	7,156	1,562	(36)	(139)	1,387
Kharkov	3,547	186	2,335	6,068	5,363	185	683	6,231	1,816	(1)	(1,653)	163

July

Oblenergo	Calculated Cost Components: LES Fee (Kbv./kWh)	Gross Rec. Tax (Kbv./kWh)	LVNO Price (Kbv./kWh)	ESE Price (Kbv./kWh)	Average Selling Price: Current System (Kbv./kWh)	Proposed System (Kbv./kWh)	% Change	Average Price Now Paid to NDC (Kbv./kWh)	% Difference from ESE sales price
Khmelnytsky	56	164	512	4,405	4,404	5,137	16 7%	3,573	-11.5%
Ternopil	80	169	741	4,285	4,144	5,275	27.3%	3,292	-18.4%
Chernivsti	101	181	931	4,450	4,165	5,664	36.0%	3,078	-23.7%
Vinnytsia	122	193	1,113	4,594	4,597	6,022	31.0%	3,317	-17.8%
Dnipro	17	148	167	4,309	5,022	4,640	-7.6%	4,289	6.3%
Kirovograd	151	197	1,399	4,419	4,553	6,167	35.5%	3,205	-20.6%
Zaporozhye	45	155	421	4,234	5,135	4,856	-5.4%	4,215	4.5%
Lugansk	20	146	184	4,217	5,171	4,567	-11.7%	4,309	6.8%
Donetsk	12	153	124	4,488	4,963	4,777	-3.7%	4,128	2.3%
Kiev(oblast)	67	177	607	4,692	4,702	5,543	17.9%	3,719	-7.8%
Kiev (city)	132	190	1,191	4,424	5,066	5,938	17.2%	6,190	53.4%
Zhitomar	104	180	940	4,402	4,805	5,626	17.1%	3,512	-13.0%
Cherkassy	63	165	565	4,351	4,594	5,144	12.0%	3,678	-8.8%
Chernigov	69	171	618	4,473	4,648	5,330	14.7%	2,764	-31.5%
Sevastopol	70	176	717	4,526	5,468	5,489	0.4%	4,066	0.8%
Crimea	34	175	319	4,926	5,099	5,455	7.0%	3,829	-5.1%
Ivano-Frankovsk	42	164	387	4,546	5,122	5,139	0.3%	4,396	8.9%
Volyn	130	202	1,181	4,802	4,978	6,314	26.8%	3,347	-17.0%
Zakarpattya	90	187	819	4,734	4,581	5,830	27.3%	3,611	-10.5%
Rovno	77	170	695	4,367	5,114	5,309	3.8%	4,107	1.8%
Lviv	93	183	853	4,577	5,254	5,705	8.6%	3,863	-4.3%
Mykolaiv	81	179	744	4,603	4,576	5,608	22.6%	3,442	-14.7%
Kherson	41	164	375	4,556	4,557	5,136	12.7%	3,696	-8.4%
Odessa	47	161	461	4,348	4,693	5,017	6.9%	3,949	-2.1%
Poltava	65	162	595	4,246	5,050	5,069	0.4%	4,139	2.6%
Sumi	121	206	1,098	5,025	4,892	6,450	31.9%	3,099	-23.2%
Kharkov	85	178	769	4,544	4,950	5,576	12.6%	3,921	-2.8%
Total									
Unweighted Average	75	174	686	4,502	4,826	5,436	12.6%	3,805	-5.7%
Weighted Average	48	163	443	4,433	4,941	5,087	2.9%	3,990	-1.1%

August

Oblenergo	Calculated Cost Components: LES Fee (Kbv./kWh)	Gross Rec. Tax (Kbv./kWh)	LVNO Price (Kbv./kWh)	ESE Price (Kbv./kWh)	Average Selling Price: Proposed System (Kbv./kWh)	Current System (Kbv./kWh)	% Change	Average Price Now Paid to NDC (Kbv./kWh)	% Difference from EM sales price
Khmelnytsky	91	196	837	4,989	6,113	5,613	8.9%	4,045	-11.2%
Ternopil	194	226	1,765	4,872	7,057	5,254	34.3%	3,355	-26.4%
Chernivsti	140	214	1,282	5,046	6,681	5,386	24.1%	3,657	-19.7%
Vinnytsia	147	218	1,336	5,119	6,820	5,718	19.3%	3,546	-22.2%
Dnipro	22	168	213	4,860	5,264	5,587	-5.8%	4,974	9.2%
Kirovograd	182	227	1,675	5,011	7,096	5,476	29.6%	3,542	-22 3%
Zaporozhye	58	179	538	4,819	5,595	5,620	-0.5%	4,635	1.7%
Lugansk	29	166	263	4,734	5,193	5,541	-6.3%	4,791	5.2%
Donetsk	26	175	247	5,014	5,462	5,487	-0.4%	4,619	1.4%
Kiev(oblast)	74	200	681	5,280	6,235	5,766	8.1%	4,424	-2.9%
Kiev (city)	144	234	1,297	5,639	7,315	5,959	22.8%	5,000	9.7%
Zhitomar	119	210	1,093	5,127	6,548	5,799	12.9%	4,031	-11.5%
Cherkassy	60	185	556	4,983	5,785	5,571	3.8%	4,074	-10.6%
Chernigov	129	219	1,167	5,327	6,841	5,778	18.4%	3,033	-33.4%
Sevastopol	87	204	865	5,226	6,382	5,991	6.5%	4,202	-7.8%
Crimea	50	179	457	4,911	5,596	5,756	-2.8%	4,545	-0.2%
Ivano-Frankovsk	57	187	526	5,064	5,834	6,035	-3.3%	5,033	10.5%
Volyn	110	215	1,001	5,384	6,710	5,868	14.3%	3,884	-14.8%
Zakarpattya	132	222	1,200	5,394	6,948	5,707	21.7%	3,787	-16.9%
Rovno	93	196	860	4,989	6,139	5,831	5.3%	4,042	-11.3%
Lviv	111	209	1,016	5,203	6,539	6,205	5.4%	4,364	-4.2%
Mykolaiv	61	188	721	4,912	5,882	5,914	-0.5%	4,736	4.0%
Kherson	65	188	597	5,031	5,881	5,779	1.8%	4,398	-3.5%
Odessa	72	185	675	4,857	5,789	5,857	-1.2%	4,511	-1.0%
Poltava	65	181	595	4,809	5,650	5,600	0.9%	4,625	1.5%
Sumi	138	229	1,249	5,540	7,156	5,769	24.0%	3,758	-17.5%
Kharkov	66	199	602	5,363	6,231	6,068	2.7%	4,542	-0.3%
Total									
Unweighted Average	93	200	864	5,093	6,250	5,738	8.9%	4,228	-7.2%
Weighted Average	60	186	558	4,996	5,799	5,676	2.2%	4,535	-0.5%

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July

Oblenergo	Average Net Income (Kbv./kWh)				
	Current System	Proposed System			
		Total	LES	LVNO	Generation
Khmelnytsky	17	161	15	141	4
Ternopil	34	253	22	204	27
Chernivsti	8	284	28	256	0
Vinnytsia	4	375	34	306	35
Dnipro	235	48	5	46	(3)
Kirovograd	17	427	42	385	(0)
Zaporozhye	215	123	12	116	(5)
Lugansk	292	58	6	51	1
Donetsk	188	35	3	34	(2)
Kiev(oblast)	0	175	18	167	(11)
Kiev (city)	670	1,219	36	328	855
Zhitomar	107	264	29	259	(23)
Cherkassy	11	136	17	156	(37)
Chernigov	412	93	19	170	(96)
Sevastopol	167	205	19	197	(12)
Crimea	0	72	9	88	(26)
Ivano-Frankovsk	31	236	11	107	118
Volyn	28	361	36	325	0
Zakarpattya	83	621	25	226	371
Rovno	25	212	21	191	0
Lviv	127	272	26	235	11
Mykolaiv	16	153	22	205	(74)
Kherson	5	110	11	103	(5)
Odessa	2	129	13	127	(11)
Poltava	140	218	18	164	37
Sumi	313	318	33	302	(18)
Kharkov	0	274	23	212	39
Total					
Unweighted Average	117	253	21	189	44
Weighted Average	164	164	13	122	29

August

Oblenergo	Average Net Income (Kbv./kWh)				
	Current System	Proposed System			
		Total	LES	LVNO	Generation
Khmelnytsky	286	234	22	207	5
Ternopil	183	513	48	436	29
Chernivsti	171	351	35	317	0
Vinnytsia	467	401	36	330	34
Dnipro	102	55	5	53	(3)
Kirovograd	194	454	45	414	(4)
Zaporozhye	136	143	14	133	(5)
Lugansk	168	75	7	65	2
Donetsk	146	64	6	61	(3)
Kiev(oblast)	135	172	18	168	(15)
Kiev (city)	181	1,298	36	320	942
Zhitomar	188	282	29	270	(18)
Cherkassy	365	181	15	137	28
Chernigov	527	288	32	288	(32)
Sevastopol	254	235	21	214	0
Crimea	220	101	12	113	(24)
Ivano-Frankovsk	165	277	14	130	133
Volyn	260	274	27	247	0
Zakarpattya	337	581	33	296	252
Rovno	421	235	23	213	0
Lviv	235	278	27	251	(0)
Mykolaiv	131	112	15	178	(82)
Kherson	218	136	16	147	(27)
Odessa	267	159	18	167	(26)
Poltava	151	221	16	147	58
Sumi	353	317	34	309	(26)
Kharkov	186	185	16	149	20
Total					
Unweighted Average	239	282	23	213	46
Weighted Average	184	184	15	138	31

SALES BY CUSTOMER CLASS, JULY 1995

Oblenergo	Industrial >=750 kVA (GWh)	Industrial <750 kVA (GWh)	Elec. Rlwy Transport (GWh)	Elec. Urban Transport (GWh)	Non-Industrial Customers (GWh)	Agricultural Customers (GWh)	Urban Households (GWh)	Rural Households (GWh)	Settlements (GWh)	Wholesale Customers (GWh)	Internal Needs (GWh)	Total (GWh)
Khmelnytsky	39.7	15.0	9.5	1.5	14.5	28.7	23 0	27.0	9.6	0.0	0.5	169.0
Ternopil	12.0	8.5	0.0	0 5	8.5	20.0	13.4	33.0	1.0	0.0	0.1	97.0
Chernivsti	15.6	5.4	0.0	0.8	8.0	10.3	7.1	20.3	2.4	0.0	0.1	70.0
Vinnytsia	49.3	17 3	22.9	2 5	16.3	33.9	22.1	31.0	9.4	0.0	2.0	206.7
Dnipro	1619.3	34.8	59.7	11.6	57.2	76.4	112.3	25 9	18.6	0.0	4.4	2020.0
Kirovograd	82.0	11.0	33.0	0.6	14.0	26.0	23.0	19 8	5.0	0.0	0.6	215.0
Zaporozhye	597.4	19.8	16.0	5.7	39.7	82.4	56.0	26.7	5.5	0.0	0.8	850.0
Lugansk	764.7	27.2	1 2	2.7	41.4	37.4	67.2	15.0	7.8	5.6	1.0	971.0
Donetsk	1450.8	62.4	56.4	10.6	89.7	81.7	141.5	25.8	36.4	0.0	4.7	1960.0
Kiev(oblast)	67.6	22.6	35.0	0.5	34.2	52.9	25.9	26.9	4 5	0.0	0.3	270.4
Kiev (city)	133.5	19.8	8.0	26.7	45.8	1.0	107.8	0.0	0.0	0.0	0.4	343.0
Zhitomar	32.8	18.3	15.7	2.6	17.5	28.8	21.6	17.5	4.3	0.0	0.4	159.5
Cherkassy	135.0	19.0	10.5	1.0	18.3	39.3	27.6	24.3	1.5	0.0	0.4	276.9
Chernigov	36.0	13.1	8.5	1.6	18.4	20.6	21.0	14.0	4.2	0.0	0.1	137.5
Sevastopol	12.8	4.1	0.9	2.7	6.7	0.9	14.7	2.4	1.7	10.4	0.2	57.5
Crimea	15.9	28.0	10.0	3.2	52.0	151.0	45.7	39.0	65.0	9.0	1.2	420.0
Ivano-Frankovsk	166.0	9.0	0.0	1.0	12.0	7.0	17.0	20.0	2.0	0.0	1.0	235.0
Volyn	45.6	6.1	0.0	0.7	7.5	10.8	15.3	14.1	0.0	0.0	0.1	100.0
Zakarpattya	15.1	9.0	10.0	0.0	14.0	4.5	14.0	28.0	3.3	0.0	0.2	98.1
Rovno	78.0	9.0	13.5	1.0	10.0	14.0	12.0	14.0	1.5	0.0	0.0	153.0
Lviv	137.0	26.0	26.0	3.0	29.0	15.0	38.0	20.0	4.5	0.0	0.5	299.0
Mykolaiv	60.0	8.0	7.0	2.0	20.0	78.0	31.0	26.0	13.3	0.0	0.4	245.7
Kherson	40.0	14.0	1.3	1.4	24.5	139.0	36.0	27.0	7.9	0.0	0.9	292.0
Odessa	104.0	30.0	23.0	6.0	45.0	70.0	74.0	34.0	12.0	0.0	2.0	400.0
Poltava	228.7	21.0	0.0	1.7	24.8	35.3	23.2	15.4	4.4	0.0	0.5	355.0
Sumi	65.4	17.0	11.0	1.0	15.0	26.0	24.0	12.0	2.4	0.0	0.2	174.0
Kharkov	152.0	20.0	45.0	16.0	65.0	54.0	55.0	20.0	9.0	0.0	4.0	440.0
Total	6156.0	495.3	424.1	108.6	748.9	1144.9	1069.3	579.0	237.2	25.0	27.0	11015.3

SALES DISTRIBUTION BY CUSTOMER CLASS, JULY 1995

Oblenergo	Industrial >=750 kVA (%)	Industrial <750 kVA (%)	Elec. Rlwy Transport (%)	Elec. Urban Transport (%)	Non-Industrial Customers (%)	Agricultural Customers (%)	Urban Households (%)	Rural Households (%)	Settlements (%)	Wholesale Customers (%)	Internal Needs (%)
Khmelnytsky	23.5%	8.9%	5.6%	0.9%	8.6%	17.0%	13.6%	16.0%	5.7%	0.0%	0.3%
Ternopil	12.4%	8.8%	0.0%	0.5%	8.8%	20.6%	13.8%	34.0%	1.0%	0.0%	0.1%
Chernivsti	22.2%	7.7%	0.0%	1.1%	11.4%	14.7%	10.1%	29.0%	3.4%	0.0%	0.1%
Vinnytsia	23.9%	8.4%	11.1%	1.2%	7.9%	16.4%	10.7%	15.0%	4.5%	0.0%	1.0%
Dnipro	80.2%	1.7%	3.0%	0.6%	2.8%	3.8%	5.6%	1.3%	0.9%	0.0%	0.2%
Kirovograd	38.1%	5.1%	15.3%	0.3%	6.5%	12.1%	10.7%	9.2%	2.3%	0.0%	0.3%
Zaporozhye	70.3%	2.3%	1.9%	0.7%	4.7%	9.7%	6.6%	3.1%	0.6%	0.0%	0.1%
Lugansk	78.8%	2.8%	0.1%	0.3%	4.3%	3.8%	6.9%	1 5%	0.8%	0.6%	0.1%
Donetsk	74.0%	3.2%	2.9%	0.5%	4.6%	4.2%	7.2%	1.3%	1.9%	0.0%	0.2%
Kiev(oblast)	25.0%	8.4%	12.9%	0.2%	12.6%	19.6%	9.6%	9.9%	1 7%	0.0%	0.1%
Kiev (city)	38.9%	5.8%	2.3%	7.8%	13.4%	0.3%	31.4%	0.0%	0.0%	0.0%	0.1%
Zhitomar	20.6%	11.5%	9.8%	1.6%	11.0%	18.1%	13.5%	11.0%	2.7%	0.0%	0.3%
Cherkassy	48.7%	6.9%	3.8%	0.4%	6.6%	14.2%	10.0%	8.8%	0.5%	0.0%	0.2%
Chernigov	26.2%	9.5%	6.2%	1.2%	13.4%	15.0%	15.3%	10.2%	3.1%	0.0%	0.1%
Sevastopol	22.3%	7.1%	1.6%	4.7%	11.7%	1.6%	25.6%	4.2%	3.0%	18.1%	0.3%
Crimea	3.8%	6.7%	2.4%	0.8%	12.4%	36.0%	10.9%	9.3%	15.5%	2.1%	0.3%
Ivano-Frankovsk	70.6%	3.8%	0.0%	0.4%	5.1%	3.0%	7.2%	8.5%	0.9%	0.0%	0.4%
Volyn	45.6%	6.1%	0.0%	0.7%	7.5%	10.8%	15.3%	14.1%	0.0%	0.0%	0.1%
Zakarpattya	15.4%	9.2%	10.2%	0.0%	14.3%	4.6%	14.3%	28.5%	3.4%	0.0%	0.2%
Rovno	51.0%	5.9%	8.8%	0.7%	6.5%	9.2%	7.8%	9.2%	1.0%	0.0%	0.0%
Lviv	45.8%	8.7%	8.7%	1.0%	9.7%	5.0%	12.7%	6.7%	1.5%	0.0%	0.2%
Mykolaiv	24.4%	3.3%	2.8%	0.8%	8.1%	31.7%	12.6%	10.6%	5.4%	0.0%	0.2%
Kherson	13.7%	4.8%	0.4%	0.5%	8.4%	47.6%	12.3%	9.2%	2.7%	0.0%	0.3%
Odessa	26.0%	7.5%	5.8%	1.5%	11.3%	17.5%	18.5%	8.5%	3.0%	0.0%	0.5%
Poltava	64.4%	5.9%	0.0%	0.5%	7.0%	10.0%	6.5%	4.3%	1.3%	0.0%	0.1%
Sumi	37.6%	9.8%	6.3%	0.6%	8.6%	14.9%	13.8%	6.9%	1.4%	0.0%	0.1%
Kharkov	34.5%	4.5%	10.2%	3.6%	14.8%	12.3%	12.5%	4.5%	2.0%	0.0%	0.9%
Total	55.9%	4.5%	3.8%	1.0%	6.8%	10.4%	9.7%	5.3%	2.2%	0.2%	0.2%

Oblenergo Income Statement
Explanation of Cost Allocation Methodology

LINE	EXPLANATION
1	*Total oblenergo operating costs* Total Manufacturing Cost, or Production Cost, (cost item number 5 in the income statements provided by Minenergo) incurred by the oblenergo in the provision of all of its electric power services, including LVNO, LES and generation services, less "spending for services not included in total product" and plus "payments for exhaust within limits."
	GENERATION FUNCTION
	Allocation of generation costs
2	*Non-fuel generation costs* Oblenergos' LVNO and LES costs are isolated by removing allocated generation costs. Operating costs other than fuel are allocated to generation by multiplying the weighted average Kbv/kWh of operating costs other than fuel incurred by (1) the four gencos for fossil fuel and (2) the hydro companies for hydro by the kWh of fossil or hydro power, respectively, generated by the oblenergo. It equals the sum of lines 2.1 and 2.2.
2.1	*Fossil* The amount of non-fuel costs allocated to the generation function by virtue of the oblenergo's fossil production.
2.2	*Hydro* The amount of non-fuel costs allocated to the generation function by virtue of the oblenergo's hydro production.
3	*Fuel* All fuel costs are allocated to generation.
4	*Total generation costs* The totality of costs allocated to generation, equal to the sum of lines 2 and 3.
	Generation profit
5	*Revenue* The oblenergo's production times the pool purchase price. Note that this assumes the oblenergo will be paid the pool purchase price for its hydro production.
6	*Allocated generation costs* The costs allocated to generation, equal to line 4.
7	*Payments to investment fund, labor safety fund, and road fund* A gross receipts tax equal to a percentage of revenue, i.e., of line 5. In the current version, it is assumed that the generation function would not pay any gross receipts tax, so the chosen percentage is 0.

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8 *Income from electric energy*
Income before tax and land payments, equal to line 5 minus lines 6 and 7.

9 *Income tax*
Equal to 30% of line 8.

10 *Profit before land payments*
Equal to line 8 minus line 9.

11 *Payments for land*
The portion of the oblenergo's land payments allocated to generation. Similar to line 2 above, equal to the genco and hydro company unit land costs, as appropriate, multiplied by the oblenergo's fossil and hydro production.

12 *Generator profit*
Equal to line 10 minus line 11.

LVNO FUNCTION

13 *Revenue requirement*
The sum of the LVNO's costs, including its profit level.

14 *Total LES/LVNO costs*
The oblenergo operating costs allocated to the combined LES and LVNO services, also equal to the oblenergo's total manufacturing costs minus its generation manufacturing costs. Equal to line 1 minus line 4.

15 *LVNO costs*
The portion (here, 90%) of total LES and LVNO costs allocated to the LVNO function.

16 *Payments to investment fund, labor safety fund, and road fund*
A gross receipts tax equal to a percentage of revenue, i.e., of line 13. In the current version, it is assumed that the LVNO function would not pay any gross receipts tax, so the chosen percentage is 0.

17 *Income from electric energy*
Income before tax and land payments, equal to line 13 minus lines 15 and 16.

18 *Income tax*
Equal to 30% of line 17.

19 *Profit before land payments*
Equal to line 17 minus line 18.

20 *Payments for land*
The portion of the oblenergo's land payments allocated to LVNO services. Equals total land payments minus land payments allocated to generation. No land payments are allocated to LES services.

21 *LVNO profit*
Equal to line 19 minus line 20.

LES FUNCTION

22 *Revenue*
The sum of the LES's costs, including its profit level.

23 *LES costs*
The portion (here, 10%) of total LES and LVNO operating costs allocated to the LES function.

24 *Income from electric energy*
Profit before tax, equal to line 22 minus line 23.

25 *Income tax*
Equal to 30 percent of line 24.

26 *Income*
The profit of the LES function after tax, assumed to equal a percentage of the sum of the LES's revenue (excluding its purchases of power and LVNO services. In the current version, it is assumed that the LES and LVNO percentage profit rates are the same for all oblenergos.

27 *Total Oblenergo Profit*
The sum of generation (line 12), LVNO (line 21) and LES (line 26) profits.

RETAIL TARIFF COST COMPONENTS

28 *Power supply*

28a *Energomarket purchases*
Purchases from Energomarket of power generated by entities other than (1) the oblenergo's own generation and (2) its purchases from block stations.

28b *Self-generation*

28c *Sales to Energomarket*
Net supply of self generation (gross generation net of station use) times the PPP. Also equal to line 5.

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28d *Energomarket costs*
The assumed addition to cost incurred by Energomarket with respect to the oblenergo's self generation, equal to net supply of self generation times the difference between the PSP and the PPP.

28e *Total of self-generation*
Line 28c plus line 28d.

28f *Block stations*
Purchases from block stations, equal to bought energy less purchases from NDC (as reported by Minenergo).

28g *Total power supply*
The total cost of purchased power, equal to the sum of lines 28a, 28e, and 28f.

29 *LVNO services*
The cost of LVNO services, here equal to the LVNO revenue requirement under the assumption that all sales in the oblenergo's area are made by the LES.

30 *LES services*
The cost of LES services, equal to line 22.

31 *Total costs of retail supply*
The sum of lines 28g, 29 and 30.

32 *Gross receipts tax*
The payments to the three funds, equal to 3.2% of total revenue, *i.e.*, of line 33.

33 *Total costs*
The sum of lines 31 and 32.

RETAIL TARIFF PRICE COMPONENTS

34 *Power supply*
The average cost of delivered power supply, equal to the total cost of power supply (line 28g) divided by sales (the useful supply of energy as reported by Minenergo).

35 *LVNO services*
The average cost of LVNO services, equal to the total cost of LVNO services (line 29) divided by sales.

36 *LES services*
The average cost of LES services, equal to the total cost of LES services (line 30) divided by sales.

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37 *Gross receipts tax*
The average cost of the gross receipts tax, equal to the gross receipts tax (line 32) divided by sales.

38 *Total Price*
The average price charged to customers, equal to the sum of the price components (lines 34-37).

RECONCILIATION OF EXISTING AND PROPOSED SYSTEM REVENUES

REVENUE COMPONENT CHANGES

Purchase price

39 *NDC purchase price*

39a *Effective price from NDC*
Equal to the average price charged to the oblenergo by NDC in July.

39b *Price from Energomarket*
The average price charged to the oblenergo under the proposed system. The price charged to each oblenergo is the same, although in practice the oblenergos would pay different average prices owing to their different time patterns of consumption.

39c *Change in NDC/Energomarket price*
Equal to line 39b less line 39a.

39d *Quantity*
The quantity purchased by the oblenergo from NDC in July.

39e *Net effect on revenues*
The difference in revenues owing to the change in the price charged by NDC/Energomarket, equal to line 39c times line 39d.

40 *Block station purchase price changes*

40a *Effective price from block stations*
The average price charged by block stations to the oblenergo in July (equal to the numerator bought energy less purchases from Energomarket, as reported by Minenergo in the July cost file, divided by the amount of energy purchased from block stations, as reported by Minenergo in the July energy balance file).

40b *Price from Energomarket*
The average price charged to the oblenergo by block stations under the proposed system, assumed equal to the Energomarket price (see also line 39b above).

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40c *Change in block station/Energomarket price*
Equal to line 40b less line 40a.

40d *Quantity*
The quantity purchased by the oblenergo from block stations in July.

40e *Net effect on revenues*
The difference in revenues owing to the change in the price charged by the block stations, equal to line 40c times line 40d.

Sales price

41a *Pool sales price (PSP)*
The assumed price charged by Energomarket for sales.

41b *Pool purchase price (PPP)*
The assumed price paid by Energomarket for purchases from generators.

41c *PSP-PPP*
The difference between the PSP and PPP, by definition equal to the costs of transmission and operating Energomarket. This is a cost not faced by self-generation under the current system.

41d *Self generation*
The quantity of useful power (gross generation net of station use) "sold" by the oblenergo to itself in July.

41e *Net effect on revenues*
The difference in revenues owing to a change in the price at which self generation is sold to the oblenergo, equal to line 41c times line 41d.

Gross receipts tax

42a *Existing system*
Gross receipts tax (payments to the three funds) under the current system in July.

42b *Proposed system*
Gross receipts tax under the proposed system.

42c *Net effect on revenues*
Line 42b less line 42a. The difference between the existing and proposed gross receipts tax stems from the difference in other revenue components.

Profit before tax

43a *Existing system profit before tax*

43b *Proposed system profit before tax*

43c *Generation*
Profit earned by the generation function under the proposed system.

43d *LVNO services*
Profit earned by the LVNO function under the proposed system.

43e *LES services*
Profit earned by the LES function under the proposed system.

43f *Total proposed profit*
The sum of lines 43c, 43d and 43e.

43g *Net effect on revenues*
Line 43f less line 43a. This amount equals zero for oblenergos in total, given our assumption of unchanged total oblenergo profit, but for individual oblenergos the profit change will rarely be zero.

44 *Total revenue component changes*
The sum of lines 39e, 40e, 41e, 42c, and 43g.

REVENUE CHANGES

45 *Existing system revenue*
Revenue under the existing system in July.

46 *Proposed system revenue*
Revenue under the proposed system.

47 *Difference in revenue*
Line 45 less line 46. This line equals line 44 for all oblenergos.