Consultation Paper

The Tenth Electricity Tariff Review

ETR10 (2016-2017)

DSO Maximum Allowed Revenues Calculation (Relevant Year 4)

DISCLAIMER

This Consultation Paper has been prepared by ERO for the purpose of informing stakeholders. It does not represent a decision by the ERO and should not be interpreted as such.

24 February 2016

Abstract

The Energy Regulatory Office (ERO) is currently conducting the Regular Adjustment and Annual Update process for the Maximum Allowed Revenue (MAR) to be recovered by the Regulated Companies. Under this process, ERO will approve an updated MAR for the Regulated Generator (KEK), Transmission System and Market Operator (TSO/MO, KOSTT), Distribution System Operator (DSO, KEDS) and Public Electricity Supplies (PES, KESCO) based on proposals submitted by the Regulated Companies. These will subsequently be used by the Regulated Companies to set their individual charges for the year starting 1 April 2016 and by ERO to set regulated retail tariffs.

The base values for the MAR components were set in at a Periodic Review held in 2012 and remain valid for a multi-year period. The current review is limited to confirming that the proposed MAR submitted by the Regulated Companies conforms to those base values and has been correctly calculated in accordance with the requirements of the Generation, TSO/MO, DSO and PES Pricing Rules. This Consultation Paper presents ERO's assessment of the MAR proposal submitted by KEDS. Companion papers provide ERO's assessment of the proposals submitted by KEK, KOSTT and KESCO.

Stakeholder comments

ERO strongly believes that public consultation is at the heart of effective regulatory policy. Stakeholders are invited to examine the evidence and views presented in this Consultation Paper and to comment on them, including correcting factual errors, putting forward counterarguments or providing new data. Parties who wish to express their opinions on ERO's position are invited to submit their comments in writing to ero.pricing-tariffs@ero-ks.org no later than **09 March 2016.** Alternatively, comments can be mailed to:

Zyra e Rregullatorit për Energji
Departamenti për Tarifa dhe Çmime
Rr. Dervish Rozhaja Nr. 12, Prishtinë, 10000, Kosovë

Related Documents

ERO's initial assessment of the DSO Reporting Formats submitted under the Periodic Review process	http://ero-ks.org/Price%20and%20Tariffs/2012/english/Vleresimi_fillestar_KEK_anglisht.pdf
ERO's provisional assessment of the DSO MAR under the Periodic Review process – Detailed Report	http://ero-ks.org/Tarifat/2012/Provisional_Evaluation_DSO_PES_eng.pdf
ERO's final assessment of DSO MAR under the Periodic Review Process – Detailed Report	http://ero-ks.org/Tarifat/2013/Proceset%20e%20Shqyrtimit/eng/Evaluation_DSO_PES_22_March_2013.pdf
The Rule on Transmission System Operator and Market Operator Pricing (DSO Pricing Rule)	http://ero-ks.org/Rregullat/Rregullat_2011/English/DSO_Pricing_Rule.pdf
DSO MAR application submitted under the Regular Adjustment 4 process (ETR10)	http://www.ero-ks.org/2016/Tarifat/Aplikimi_per_MAR_per_vitin_2016_KEDS.pdf

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1 Price Control Overview

The Energy Regulatory Office (ERO) is the independent institution which sets price controls for regulated companies which operate in the Kosovo regulated electricity market. Ideally, ERO would only set price controls for those segments of the electricity sector which are natural monopolies (Transmission and Distribution networks). However, as competition in Generation and Supply has not developed to a level which would produce a competitive price, ERO regulates these segments as well by setting tariffs which provide safeguards for customers in respect of prices charged in the absence of competition.

Price Controls are the tools employed by ERO in order to set the amount of money (the Maximum Allowed Revenues - MAR) that the Regulated Companies are allowed to recover for providing a regulated service. The MAR is set during Periodic Reviews by thoroughly analyzing the expenditures and investments that the Companies plan to make during the length of the price control. The level of the MAR is set to allow the companies to cover reasonable costs of operating and maintaining their assets and earn a reasonable return if they deliver the investment results approved upfront. Additionally, ERO sets efficiency targets which aim to increase the companies' operating efficiency and provide incentives or penalties if the companies fail to meet these targets.

The last Periodic Review was conducted by ERO in 2012 (ETR7) and set the MAR of the Distribution System Operator (KEDS) for a five-year period until 2017. The capital expenditures allowed for key projects and the efficiency targets set by ERO during the ETR7 periodic review are summarized in **Error! Reference source not found.** below.

Table 1 ETR7 DSO (KEDS) MAR at a glance

Distribution System Operator (KEDS)	
Forecast investments (2013-2017)	€107.25 million over the regulatory period
Key projects	Reinforcement of the network (replacement of 10 kV and 0.4 kV lines); elimination of the bottlenecks, especially in the 35 kV and 10 kV overloads, Elimination of overhead lines which were hanged and were considered a risk to the public
Efficiency incentives	16.5% (percentage point) loss reduction over 6 years – almost halving the losses by the end of the regulatory period. 5% efficiency factor applied for the last two years of the Regulatory Period.

2 Introduction

The Rule on Distribution System Operator Pricing (DSO Pricing Rule) sets the basis and the process for the determination of Maximum Allowed Revenues that may be earned by the Distribution System Operator (DSO) in any Relevant Year in order to allow it to recover the reasonable costs of developing, operating, and maintaining the Distribution System in accordance with the Law on the Energy Regulator. Following the DSO Pricing Rule, ERO set in the ETR7 Periodic Review in 2013 the forecast Maximum Allowed Revenues of the Distribution System Operator in Kosovo (KEDS) for a five-year period until 2017. Within each of those five "Relevant Years" between 2013 and 2017, the Energy Regulatory Office undergoes a "Regular Adjustment" process. This process differs from a Periodic Review in that the Regular Adjustment process does not entail a detailed analysis of investment plans and operating and maintenance costs. Instead, the Regular Adjustment uses the results obtained during the Periodic Review process in ETR7 and adjusts the MAR to reflect changes between the costs which were forecasted during the Periodic Review and the actual costs incurred by the Regulated Companies due to reasons outside of the control of the Regulated Company. During the "Regular Adjustment" process for KEDS ERO will:

1. Index the Allowed Operating and Maintenance Costs for the Efficiency Factor which is set during the Periodic Review process and for Annual Inflation which is set using the Harmonized Index of Consumer Prices (HICP) for All Items in the Eurozone;

2. Set the Allowed Cost of Losses (LSSCt) for the DSO and update these to include the difference between allowed and actual cost of losses for the previous Regulatory Period, which may have arisen due to changes in wholesale power costs or changes in the flows of electricity in the distribution system;

3. Update the DSO MAR to reflect the difference between Allowed and Actual Regulated Revenues in the previous Relevant Year (t-1);

4. Set the resulting DSO MAR for Relevant Year t.

3 The structure of this paper

This Consultation Paper is organized as follows:

- Section 4 lays out the Energy Balance used in the calculations of the wholesale power costs and in the for the allowed cost of losses for the distribution system;
- Section 5 provides ERO's proposal for KEDS's MAR and reviews KEDS's MAR application;

4 Energy Balance

In previous years ERO has used the forecast energy balance approved by the Ministry of Economic Development (MED) for the Relevant Year t to calculate the KEDS MAR for the Relevant Year t. Additionally, ERO had used the actual energy balance provided by KOSTT for the Relevant Year t-1 to account for the differences between actual and forecasted volumes on the calculations of the previous year KEDS MAR. The adjustments to account for differences between actual and

forecasted volumes on the previous year KEDS MAR calculations are included in the Relevant Year t KEDS MAR. The forecast balance is also used to estimate wholesale power purchase costs which feed into the allowances made for the costs of transmission and distribution losses and the final retail tariff.

4.1 Actual Energy Balance for the Relevant Year t-1 (2015)

The actual energy balance for 2015 is used to adjust for cost differences resulting from differences between actual 2015 volumes and the forecasts used in determining the allowed 2015 MAR values. These differences are considered to be outside the control of the Regulated Companies and, therefore, they should neither be penalized for nor benefit from them.

The applications received from both KOSTT and KESCO contain data on the actual energy balance for 2015. However, these differ. It is not clear why this is so given that both Regulated Companies should be using the same metered volumes and ERO strongly urges KOSTT and KESCO to reconcile these values.

Meanwhile, ERO has used the following approach to determine the 2015 actual energy balance:

- The actual volumes reported by KOSTT are used to determine generation, transmission and exported energy volumes.
- The actual volumes reported by KESCO are used to determine imported energy and sales to final customers.

This results in a mismatch between energy volumes entering and exiting the transmission system (after allowing for losses). These differences may, in turn, derive from differences in the classification of exchange exports (exported energy provided in exchange for imported energy rather than being exported and paid for under a contract). ERO reiterates that KOSTT and KESCO will need to work together to resolve these differences.

4.2 Forecast Energy Balance for the Relevant Year t (2016)

The forecast energy balance for 2016 is prepared as follows:

- The energy balance updated for KEK availability, is used to forecast energy generated from local generators and electricity import.
- Retail sales of energy are forecast using the projections provided by KESCO in its application. These show a 1.6% increase in final sales on 2015, consistent with the annual rate of growth in previous years.
- Unbilled supplies to North Kosovo are also forecast using the projections provided by KESCO. In the balance approved by MED, these unbilled supplies are expected to decline by 9.6% from 2015 levels. In ERO's view, such a decline currently appears unlikely.
- Transmission and distribution losses are projected using the percentage loss allowances established by ERO at the most recent periodic review.

- Exports are then adjusted so as to ensure that projected energy volumes entering and exiting the system are in balance (after allowing for energy losses).

4.3 Comments on KEDS' energy balance application

In its application, KEDS has proposed an alternative approach for the calculation of the energy balance. This is to use the approved energy balance to determine volumes of purchases of imports. The difference between the volumes of losses calculated using the ERO-approved loss targets and those included in the approved balance is then calculated and multiplied by the average wholesale price to obtain the cost of the 'excess' losses included in the approved balance. This cost is then deducted from the WHPC calculated using the approved energy balance to obtain the final allowed WHPC. ERO agrees that this revised approach has merits. However, rather than make adjustments to existing practice within periods, ERO will assess whether to introduce this change at the next Periodic Review.

4.4 Allowed transmission and distribution losses

ERO has established multi-year targets for the allowed level (in percentage terms) of losses in the transmission and distribution networks. These allowed levels are used to set the costs of losses which the TSO (KOSTT) and DSO (KEDS) are permitted to recover from customers. TSO and DSO will be rewarded in case of reduction of losses beyond the target and will be penalized in case of not achieving the losses target set by ERO. This provides incentives for the two Regulated Companies to reduce losses.

The allowed level of distribution losses are set to be 1.8% as it is determined in Periodic Reviews. The allowed level of losses in distribution were initially established in ETR6 reducing from 3% (percentage points) during the first three years and then reduced by 2.5% (percentage points) in the last three years annually reflecting expected ongoing improvements in the network and increased efforts to reduce electricity theft[1]. The allowed level of 23.1% in 2015 has, therefore, now been reduced to 20.6%. Unbilled supplies to North Kosovo are not considered to be under the control of the DSO and, therefore, are excluded from these allowed losses and the calculation of actual distribution losses.

The resulting projected energy balance is provided in **Error! Reference source not found.** below.

Table 2 Energy Balance used for the calculation of WHPCt and LSSCt

Energy Balance		ETR9 (2015) Allowed	ETR9 (2015) Actual	ETR10 (2016) Proposed
KEK Generation		5,570.9	5,438.1	5,512.2
Kosovo A	GWh	1,755.6	1,905.371	1,983.4
Kosovo B	GWh	3,864.81	3,582.2	3,687.5
Cogeneration	GWh	-49.49	-49.5	-38.7
Other Transmission Connected Generation				158.2

[1] http://ero-ks.org/Vendimet/Shqip/2012/V_399_2012.pdf

HPP Ujmani	GWh	84.0	107.8	95.0
Other (HC Lumbardhi 1,HC belaj, HC Decani)	GWh			63.2
Transmission-connected Demand		723.6	671.8	677.2
Ferronikeli consumption	GWh	632.0	584.3	586.5
Trepca	GWh	25.9	24.0	
Sharrcem	GWh	65.8	63.5	90.7
Other Transmission - level consumption		272.1	240.8	272.9
Mine consumption	GWh	138.0	114.2	121.0
PP Kosova A own consumption	GWh	134.1	101.4	115.3
PP Kosova B own consumption			25.2	36.7
Transmission Losses	%	1.8%	1.77%	1.80%
	GWh	110.9	110	114.0
Energy Entering Transmission System	GWh	6,162.9	6,217.8	6,331.8
Exports	GWh	638.3	552.5	1,061.5
Total Production	GWh	5,654.9	5,545.9	5,607.2
Imports	GWh	508.0	779.9	661.3
Energy Required to meet Transmission Load	GWh	1,744.9	1,575.1	2,125.6
Energy Required to meet Distribution Load	GWh	4,418.0	4,642.7	4,206.2
Distribution Generation				
Distribution-embedded generation	GWh	46.6	33.8	64.2
Wind Power j.s.c.	GWh			
Distribution Consumption	GWh	4,464.6	4677	4,270.4
Distribution losses and unbilled energy				
Technical and commercial losses	%	23.13%	28.0%	20.6%
	GWh	979.0	1241.5	830.9
Unbilled supplies	%	5.21%	5.3%	5.7%
	GWh	232.5	246.5	243.3
Total losses	GWh	1,211.4	1,488.0	1,074.2
Sales to final customers	GWh	3,253.1	3,188.5	3,196.2

5 Maximum Allowed Revenues of DSO (KEDS)

Under the DSO Pricing Rule (Schedule 1), the MAR for KEDS is calculated annually according to the following formula:

$$MAR_t = OPMC_t + DEPC_t + RTNC_t + LSSC_t + LICC_t + KREV_t$$

Where

MAR_t *is Maximum Allowed Revenues in Relevant Year t*

$OPMC_t$	*is allowed operating and maintenance costs in Relevant Year t*
$DEPC_t$	*is allowed depreciation in Relevant Year t*
$RTNC_t$	*is allowed return on capital in Relevant Year t*
$LSSC_t$	*is allowed cost of losses in Relevant Year t*
$LICC_t$	*is the Licence Fee in Relevant Year t*
$KREV_t$	*is the revenue correction factor in Relevant Year t*

The calculation of each of these components is discussed below.

5.1 General comments

5.1.1 Comments on DSO MAR application

The operation of the multi-year tariff has, revealed a number of issues related to different understandings of the calculation of adjustments etc. This is to be expected given that the current period is the first in which this multi-year tariff has been applied. During 2016, ahead of the next periodic review (for KEK Generation) ERO intends to issue a new MAR model in order to improve the clarity and mutual understanding of these calculations. For the annual adjustments under ETR10, ERO has continued to apply the approach used in previous annual adjustments for reasons of consistency.

In its proposal, KEDS has requested that allowed operating expenditures (OMPC) are further increased due to recent salary increases. ERO notes that the multi-year tariff framework was put in place to provide greater certainty to Regulated Companies over future revenues and to create stronger incentives for efficiency improvements. This framework does not envisage ERO making continued annual adjustments to, for example, accommodate increased salary costs exceeding growth in inflation (and, conversely, to adjust for unanticipated cost savings).

KEDS has also requested for an increase in the OPMC, DEPC and RTNC for the operation in North Kosovo, which derived from the agreement signed between Kosovan and Serbian Governments but which has not yet been implemented.

There are two mechanisms available for licensees to recover such cost changes:

- Within the multi-year period, there is provision for Extraordinary Reviews where licensees experience large cost shocks that are outside their control. These follow a separate review process and do not form part of the annual reviews currently being implemented.
- There is also scope for resetting cost allowances at the Periodic Reviews held at the end of each multi-year period to take account of the impacts of changing costs over time. The first of these resets will take place in 2017 for KEK.

Consequently, ERO does not propose to make any adjustments to the MAR other than those arising from the application of the annual adjustment formulae.

5.2 Allowed Operating and Maintenance costs (OPMCt)

The Pricing Rule envisaged that allowed operating and maintenance costs would be profiled or smoothed over the multi-year period. In practice, this did not happen. Additionally, in 2015, KEDS and KESCO were required to unbundle their activities leading to a requirement to separate the costs of shared services, such as headquarters operations between them. KEDS and KESCO also incurred various restructuring costs associated with the unbundling. Consequently, the projected operating expenditures for the combined DSO-PES (KEDS and KESCO) business set at the Periodic Review are no longer applicable.

Recognizing this, ERO has decided to roll-forward the unbundled operating and maintenance costs for the two entities, as established in 2015, using the following formula:

$$OPMCt = OPMCt\text{-}1 * (1 + CPIt\text{-}1) * (1 - Et)$$

Where

OPMCt	*is allowed operating and maintenance costs in Relevant Year t*
OPMCt-1	*is allowed operating and maintenance costs in Relevant Year t-1*
CPIt-1	*is the actual value of inflation in Relevant Year t-1, measured using the "Harmonised Index of Consumer Prices (HICPs) – All Items, for the Eurozone" published by Eurostat, or any other measure of inflation that the Regulator determines is a better measure of the change in operating and maintenance costs over time and is allowed at a Periodic Review*
Et	*is the Efficiency Factor in Relevant Year t, which is set at Periodic Reviews*

ERO has applied a 5% efficiency factor as set in the Periodic Review to apply in 2016 and 2017. The applied inflation rate is 0.2% and has been calculated from the Harmonized Index of Consumer Prices for all items in the Eurozone.

The allowed level for operating and maintenance costs for ETR10 is €25 million.

5.3 Allowed Depreciation (DEPCt)

The Pricing Rule assumes that the depreciation allowances are smoothed and profiled over the Regulatory Period. Since no smoothing has been applied in practice, ERO has used the following adjustment formula, which is the same with the formula adopted in previous years:

$$DEPC_t = DEPC_{t-1} * (CPI_{t-1}) + DEPC_{ft}$$

Where

$DEPC_t$	*is allowed depreciation in Relevant Year t*
$DEPC_{t-1}$	*is allowed depreciation in Relevant Year t-1*

CPI_{t-1}	*is the actual value of inflation in Relevant Year t-1, measured using the "Harmonised Index of Consumer Prices (HICPs) – All Items, for the Eurozone" published by Eurostat*
$DEPC_{ft}$	*is allowed forecast depreciation in Relevant Year t, which is set at Periodic Reviews*

The allowed depreciation for ETR10 is set to €8.8 million.

5.4 Allowed Return in Capital (RTNCt)

As in the DEPCt components calculation, ERO had not profiled or smoothed the allowed return during the Periodic Review. This component has therefore been calculated by the following formula:

$$RTNC_t = RTNC_{t-1} * (CPI_{t-1}) + RTNC_{ft}$$

Where

$RTNC_t$	*is allowed return on capital in Relevant Year t*
$RTNC_{t-1}$	*is allowed return on capital in Relevant Year t-1*
CPI_{t-1}	*is the actual value of inflation in Relevant Year t-1, measured using the "Harmonised Indices of Consumer Prices (HICPs) – All Items, for the Eurozone" published by Eurostat*
$RTNC_{ft}$	*is allowed forecast return on capital in Relevant Year t, which is set at Periodic Reviews*

The allowed return for the DSO for ETR10 has been set at €14.2 million.

5.5 Allowed Cost of Losses (LSSCt)

Allowed Cost of Losses for the DSO is set during each Regular Adjustment through the following formula (Schedule 1 paragraph 2.4 of the DSO Pricing Rule):

$$LSSC_t = LSSA_t * REUE_t * WHEA_t + (LSSCa_{t-1} – LSSCf_{t-1}) * (1+ I_t) + (LSSCa_{t-1} – LSAC_{t-1})*LSSF_t$$

Where

$LSSC_t$	*is allowed cost of losses in Relevant Year t*
$LSSA_t$	*is the Loss Allowance, which is a percentage of energy entering the Distribution System, in Relevant Year t*
$REUE_t$	*is the energy units (in MWh) entering the Distribution System in Relevant Year t*
$WHEA_t$	*is the average wholesale energy cost (in €/MWh) as determined using the allowed wholesale energy cost for the PES in Relevant Year t*

$LSSCa_{t-1}$	*is the actual allowed cost of losses in Relevant Year t-1 (calculated using the Loss Allowance)*
$LSSCf_{t-1}$	*is the forecast cost of losses in Relevant Year t-1 (calculated using the Loss Allowance)*
I_t	*is the interest rate for the Relevant Year t calculated based on EURIBOR plus S%, where S is a value to be determined by the Regulator at Periodic Reviews and which reflects the premium payable by the licensee for short-term loans above the EURIBOR rate*
$LSAC_{t-1}$	*is cost of losses actually incurred by the DSO in purchasing energy from the PES as compensation for energy lost on the Distribution System in Relevant Year t-1 (not calculated using the Loss Allowance)*
$LSSF_t$	*is the Loss Sharing Factor in Relevant Year t, which is set at Periodic Reviews*

The interest rate used to calculate the compensation between actual and allowed costs in the previous Relevant Year has been calculated using the S-premium set by ERO during the Periodic Review (15.0%) plus the current one year EURIBOR rate (-0.13%[2]). The resulting interest rate used for adjustments has therefore been set to 14.87%. The Loss Sharing Factor in Relevant Year t is set to 0% similarly to previous years. The allowed loss target for the distribution system under ETR10 is 20.63%. The calculation is summarized in the following table.

The wholesale electricity cost used in this calculation ($WHEA_t$) is not yet final as this is dependent on final decisions on the estimated costs of generation and imports into Kosovo for 2016. Therefore, the values shown here may be subject to some amendment prior to ERO's final decision depending on these accompanying decisions.

Table 3 Calculation of the Allowed Cost of Losses of the DSO

DSO MAR	SHTE9 Allowed	SHTE9 Actual	SHTE10 Proposed
Indexation Parameters			
Efficiency factor	0.00%	0.00%	5.00%
Profiling factor	0.00	0.00	0.00
HICP	0.43%	0.21%	0.21%
Euribor	0.25%	-0.13%	-0.13%
S-factor	15.00%	15.00%	15.00%
It	15.25%	14.87%	14.87%
Allowed Losses (LSSCt)			
LSSAt	23.13%	28.02%	20.63%
REUEt	4,232.09	4,429.97	4,027.08
WHEAt	28.24	29.23	34.26
LSSCat-1		28.94	

[2] Euribor Rate for 19 February 2015 http://www.euribor-rates.eu/euribor-rate-12-months.asp

LSSCft-1	27.64		28.46
LSACt-1		35.06	
LSSCt	22.79		23.83
	75.59	71.46	70.93

The resulting allowed cost of losses for KEDS under ETR10 is €23.83 million.

5.6 Allowed Cost of Licence Fees (LICCt)

The Licence Fee allowance has been set to zero in line with expected Licence Fee costs for 2016.

5.7 Revenues Adjustment Factor (KREVt)

The difference between the Maximum Allowed Revenues (MAR) allowed by ERO for the third Relevant Year and the Actual Regulated Revenues collected by DSO during the same period was calculated according to the following formula (Schedule 2 paragraph 2.5 of the DSO Pricing Rule):

$$KREV_t = (MAR_{t-1} - ARR_{t-1}) * (1 + I_t)$$

Where

ARRt-1 *is the Actual Regulated Revenues in Relevant Year t-1*

MARt-1 *is Maximum Allowed Revenues as determined in Relevant Year t-1*

It *is the interest rate for the Relevant Year t calculated based on EURIBOR plus S%, where S is a value to be determined by the Regulator at Periodic Reviews and which reflects the premium payable by the licensee for short-term loans above the EURIBOR rate*

The difference between the MAR allowed by ERO of €75.6 million and the ARR collected by the DSO of € 71.46 million is returned to the DSO MAR with an interest adjustment.

5.8 DSO (KEDS) Total MAR

The resulting proposed total MAR for the DSO (KEDS) for 2016 is €74.9 million. The calculation of this value is shown below.

This represents a decrease of €3.5 million of approved MAR for 2015 (under ETR9). This can be attributed to treatment of penalties for not executing losses target by KESCO, so that KEDS can be more versatile in operations and investments conduction

Table 4 DSO (KEDS) MAR proposal

DSO MAR	ETR9 Allowed	ETR9 Actual	ETR10 Proposed
Indexation parameters			

DSO MAR		ETR9 Allowed	ETR9 Actual	ETR10 Proposed
Efficiency Factor	%	0.00%	0.00%	5.00%
Profiling Factor	%	0.00	0.00%	0.00
HICP	%	0.43%	0.21%	0.21%
Euribor	%	0.25%	-0.13%	-0.13%
S-factor	%	15.00%	15.00%	15.00%
It	%	15.25%	14.87%	14.87%
Operating and Maintenance Costs (OPMCt)				
OPMCt	€m	26.21		25.09
Allowed Depreciation (DEPCt)				
$DEPC_t = DEPC_{t-1} * (1 + CPI_{t-1}) * (1 - P_t)$	€m	8.05		8.75
Allowed Return (RTNCt)				
$RTNC_t = RTNC_{t-1} * (1 + CPI_{t-1}) * (1 - P_t)$	€m	12.38		14.22
Allowed Losses (LSSCt)				
Allowed Losses				
LSSAt	%	23.13%	28.02%	20.63%
REUEt	GWh	4,232.09	4,429.97	4,027.08
WHEAt	€/MWh	28.24	29.23	34.01
LSSCat-1	€m		28.94	
LSSCft-1	€m	27.64		28.26
LSACt-1	€m		36.06	
LSSCt	€m	22.79		23.63
Adjustments				
Unregulated Revenues	€m	-2.01		-5.33
KREV				
		3.15		4.13
MAR				

DSO MAR		ETR9 Allowed	ETR9 Actual	ETR10 Proposed
	€m	75.59	71.46	74.94