

Annual Report

# 2011





*Markets cannot be interfered, unless there is certain necessity,  
nevertheless; no market is free from control.*

*K. Atatürk*

## The President and Board Members



- ① Ahmet Çağrı ÇİÇEK ( Member )
- ② Abdullah TANCAN (Member)
- ③ Alparslan BAYRAKTAR (Member)
- ④ Zekeriya GÖKŞENLİ (Member)
- ⑤ Hasan KÖKTAŞ (President)
- ⑥ Fatih DÖNMEZ (Member)
- ⑦ Fazıl ŞENEL (Member)
- ⑧ Sefer BAKIR (Member)
- ⑨ Mustafa YILMAZ (Vice President)

## Presentation of the President



**The primary objective of EMRA is to create the environment to enable the supply of more efficient, reliable, high-quality, sustainable, low-cost and environment friendly energy to consumers.**

Energy sector is the most important dynamics in Turkey's economic growth, with the sixth biggest economy in Europe and the sixteenth in the world. We are striving to regulate such an important and dynamic sector in a manner to both attract the investors and satisfy the consumers.

In the previous years, sectors such as textile, tourism, construction and automotive were the leading ones in the development of our country, whereas today, energy sector started to take the highest share in the growth rate of the industrial production. Together with the increasing importance of the energy sector in the economic growth of Turkey, the interest of foreign and local investors in this sector is rapidly increasing. The world's leading energy companies are competing to invest to get the biggest share in the Turkish energy sector.

The increasing importance of the private sector's efficiency in the energy market, signifies the importance of this sector and every regulation made in this sector.

It is very important to establish a competitive environment in the energy sector and to form financially viable, transparent and stable energy

markets to operate in this environment and regulation and supervision of the same. The determination of the strong political power in the fields of economy and energy, strengthens the future prospects and the regulatory capability. In this respect, EMRA has a crucial role with its powers to regulate and supervise the sector.

As EMRA, we are doing our best to contribute to the development of the markets we are regulating. The primary objective of EMRA is to create the environment to enable the supply of more efficient, reliable, high-quality, sustainable, low-cost and environment friendly energy to consumers. Our Authority is trying to apply common opinion about development of energy market by taking into consideration opinions of other institutions in the energy field such as consumers, sector representatives, non-governmental organization and other public institutions to fulfill its duties and responsibilities within the framework of authority entitled by laws in the sector which is extremely important for our country.

Establishing an environment- economy- market focused, highly predictable, transparent and egalitarian market structure and enabling all market

participants to operate more efficiently are among the most important issues taken into consideration by EMRA when performing its activities..

This study is the demonstration of this understanding. Our Activity Report is reflecting the hard work we made throughout the year.

I hope that the EMRA 2011 Annual Report of our Authority will contribute to the information accumulation of energy markets and Electricity, Natural Gas, Petroleum and LPG markets that we are regulating, will be beneficial for the public and all related persons.

With Regards,

**Hasan KÖKTAŞ**  
President

# Abbreviations

<b>EU</b>	European Union
<b>CEER</b>	Council of European Energy Regulators
<b>CIF</b>	Cost, Insurance And Freight
<b>CNG</b>	Compressed Natural Gas
<b>ECRB</b>	Energy Community Regulatory Board
<b>ERRA</b>	The Energy Regulators Regional Association
<b>ERGEG</b>	European Regulators Group for Electricity and Gas
<b>FOB</b>	Free On Board
<b>GATS</b>	General Agreement on Trade in Services

<b>ICER</b>	International Confederation of Energy Regulators
<b>IERN</b>	International Energy Regulation Network
<b>LNG</b>	Liquefied Natural Gas
<b>LPG</b>	Liquefied Petroleum Gas
<b>MEDREG</b>	Mediterranean Working Group on Electricity and Gas Regulation
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>SEQ</b>	Standing Group on Emergency Questions
<b>SLT</b>	Standing Group on Long Term Cooperation
<b>SOM</b>	Standing Group on The Oil Market

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## 1. ENERGY MARKET REGULATORY AUTHORITY

### 1.1. Duties, Powers and Liabilities

The Energy Market Regulatory Authority (The Authority) was founded as the “Electricity Market Regulatory Authority” with the Electricity Market Law numbered 4628 and published in the Official Gazette dated 03.03.2001 and bis numbered 24335 and named as the “Energy Market Regulatory Authority” with the Law Amending the Electricity Market Law and the Natural Gas Market Law numbered 4646 and published in the Official Gazette dated 02.05.2009 and numbered 24390.

The Authority is a public corporation with administrative and financial autonomy and the related ministry is the Ministry of Energy and Natural Resources(MENR).

The Authority has no provincial branches and is centered in Ankara. However, the Authority is entitled to open liason offices with an aim to sustain customer relations. In this respect there is a liason office in İstanbul.

The Authority is performing the duties and using the powers entrusted by the;

- Electricity Market Law No: 4628 (2001),
- Natural Gas Market Law No: 4646 (2001),
- Petroleum Market Law No: 5015(2003),
- Liquefied Petroleum Gases (LPG) Market Law No: 5307 (2005)

The objective of the aforementioned Laws is to establish a financially viable, stable and transparent energy market, which will function as per the provisions of private law and within a competitive environment to ensure the independent regulation and supervision of the market in order to provide sufficient electricity, natural gas, petroleum and LPG of good

quality to consumers, at low cost, in a reliable and environment friendly manner

In order to reach this objective the Authority is responsible and entitled to;

***In the Electricity Market;*** Grant and renew licenses defining the rights and liabilities of the legal persons pertaining to their authorized activities; prepare the existing contracts within the scope of the transfer of operational rights as per the Law no:4628; establish performance standards by monitoring the market performances; prepare, improve and execute the secondary legislation, audit the license holding legal persons, prepare, modify and execute regulated tariffs and to ensure that the market activities are in compliance with the Electricity Market Law.

***In the Natural Gas Market;*** Grant licenses and certificates defining the rights and liabilities of the real and legal persons dealing with the import, transportation, distribution, storage, trade and export of natural gas; examine the market and system operation; prepare, amend, execute, supervise the distribution and customer services regulations; examine the cost-reflective prices;prepare, modify and execute the regulated tariffs and to ensure that the market activities are in compliance with the Natural Gas Market Law.

***In the Petroleum Market;*** Grant licenses for establishing and operating the facilities to perform refining, processing, lube oil production, storage, transportation, eligible consumer and bunker activities, distribution and transport of liquid fuel and vendor activities; determine the special conditions for the scope of the licensed activities and procedures, rights and liabilities stemming from the licenses, limiting the activities within the scope of the licenses, carrying out the activities and make the necessary arrangements,



# Part I General Information

**In the Liquefied Petroleum Gases (LPG) Market:** Grant, update, temporarily stop or cancel the licenses for establishing and operating the facilities for the purposes of distribution, transport, vendor activities, storage, production of LPG tubes, filling and maintenance; determine the special conditions for the scope of the licensed activities and procedures, rights and liabilities stemming from the licenses, limiting the activities within the scope of the licenses, carrying out the activities and make the necessary arrangements.

## 1.2. Mission, Vision, Institutional Values

### Our Mission

Is to make regulations and audits to supply sufficient, cost-effective and environment friendly energy to consumers.

### Our Vision

Is to create value with the regulation understanding to establish strong, competitive and transparent energy markets.



## Our Institutional Values

Value	Explanation
<b>Leading and Guiding</b>	EMRA guides the markets foreseeing the market needs.
<b>Stakeholder focused</b>	EMRA regulates and serves taking into consideration the views of the stakeholders.
<b>Strategic Perspective</b>	EMRA makes the necessary steps by defining the future developments with its strategic management understanding.
<b>Transparency</b>	EMRA performs its activities in line with the legislation, open to access by related parties and with the understanding of accountability.
<b>Objectivity</b>	EMRA is in an equal distance to all parties. Its approach is un-prejudiced, concrete and based on data and information.
<b>Independence</b>	EMRA independently uses its powers and liabilities entrusted by the Laws.
<b>Consistency and Sustainability</b>	EMRA always behaves in a right and balanced way in its activities, implementations and services in line with its mission.
<b>Innovativeness</b>	EMRA analyzes activities and processes with effective methods and makes necessary improvements. EMRA follows up the developments in its field of activity and by internalizing such information produces new information.

## 1.3. Strategic Objectives and Targets

Strategic Objectives	Targets
Establish a fair and competitive market environment and ensure the sustainability	1. Increasing the efficiency in granting permission for the activities. 2. Shortening the procurement period of the immovables needed for the investments. 3. Increasing the efficiency in audits. 4. Increasing the market opening and competition. 5. Simplification of the legislation and increasing the applicability.
Ensuring the supply of qualified and economical power in the market	6. Ensuring consumer satisfaction by increasing the quality of goods and services. 7. Ensuring the financial sustainability of the legal persons whose tariffs are regulated. 8. Increasing the price efficiency in the production of goods and services.
Establishing predictable and sustainable markets by producing and submitting effective and reliable information	9. More effectively monitoring the activities of license holders. 10. Informing the shareholders by timely and reliable reporting.
Strengthening the institutional capacity	11. Ensuring the settlement of any disputes in line with the legislation. Improving the human resources 12. Increasing the accessibility of the Authority 13. Improving managerial skills and capabilities. 14. Establishing information management system and ensuring the sustainability

# Part I General Information

## 2. STRUCTURE OF THE AUTHORITY

The Authority consists of The Energy Market Regulatory Board, Presidency and the service units.

### 2.1. Energy Market Regulatory Board

The Authority uses its powers via the Energy Market Regulatory Board (The Board) when performing its duties. The representative and decision making body of the Authority is the Board. The first Board assumed duty on 19.11.2001 by swearing an oath before the First Chairmanship of the Supreme Court of Appeals. The Board consists of nine members one being the President and one being the vice President.

The Board Members are appointed by the Council of Ministers among persons holding law, political sciences, administrative sciences, public administration, economics, engineering, management or finance degree from a four year university and having at least ten year experience in public institutions and organizations or private sector. The Council of Ministers assigns the President and the Deputy President of the Authority by appointment.

The terms of office of the President and the Board Members are six years. The Board Members can not be taken from offices before the end of their terms of office. However, the President and Board Members who are convicted of breaching the prohibitions set forth in the Article 6 of the Law No:4628 or crimes offended in relation with their assigned duties; are determined to lose the qualifications required to be a civil servant as per the Civil Servants Law No.657 or are not able to work for more than three months because of an illness or accident or whose health conditions are determined to be not suitable for working by a committee of doctors, then not necessarily waiting for three months, shall be taken from office by the Council of Ministers.

In case the Presidency and Board memberships become vacant before the end of terms of office by any reason, appointments are made to the vacant posts within one month. The Board Members, whose terms of office end, are able to be re-elected.

The Board meets whenever it deems necessary but at least once in a week. The meetings are chaired by the President and in the absence of the President by the Vice President. The agenda of each meeting is prepared by the President or in the absence of the President by the Deputy President and notified to the Board Members.

The Board meets with absolute majority and the decisions are taken with the majority of the participants. The Council of State is the first degree court for the actions for nullity including the administrative fines against Board decisions.

The Authority is entrusted with various duties and powers by the related laws and such duties and powers are also stated in the Articles 5, 5/A, 5/B and 5/C of the Electricity Market Law No: 4628.

### 2.2. The Presidency

The Chairman of the Board is also the President of the Authority. The organization and coordination among the Board Members and the service units are performed by the President. The President is responsible for the enforcement and the execution of the Board decisions and representation of the Board. These responsibilities also include the communication to the public of the works of the Board. All the decisions of the Authority except for the powers entitled to the staff by the President are taken by the Board. The Board assigns tasks to or authorizes the President in subjects it deems appropriate

The Deputy President assumes all duties and powers of the President in the absence of the President. The President may transfer some of his duties and responsibilities to the Deputy President or other members of the Board whenever he deems necessary.

With an amendment in the 'Regulation on the Organizational Structure of EMRA and the Working Principles and Procedures Applicable to its Employees' with the Decree of Council of Ministers dated 06/08/2008 and numbered 2008/14111 two vice presidency cadres are established in order to help the president in the management and coordination of the units. The Vice Presidents are responsible for the execution of the duties assigned by the President and for the coordination among the related service units.

Along with that, the duties and powers of the Presidency are stated in the paragraph 10 of Article 5 of the Law Numbered 4628.

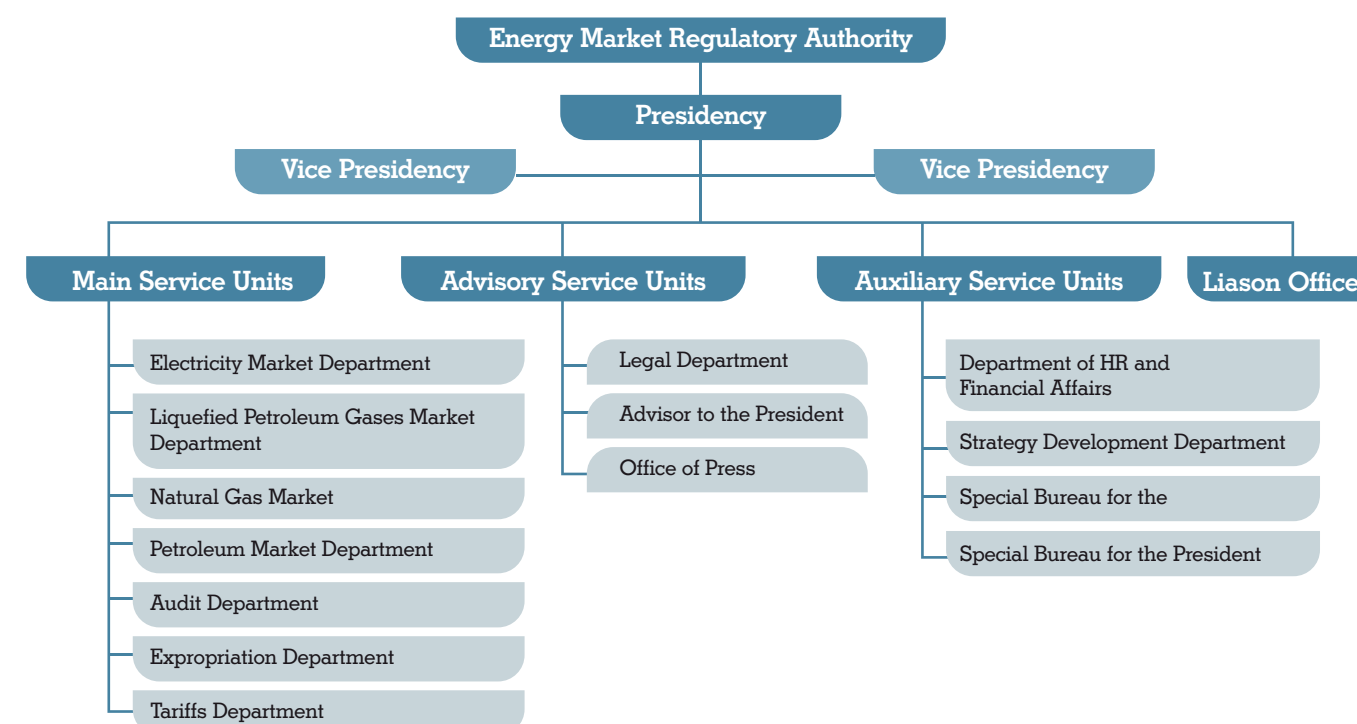
### 2.3. Service Units

The service units of the Authority consist of main, advisory and auxiliary service units organized as departments.

The service units of the Authority and the duties and responsibilities of the same, the titles and numbers of the cadres are set forth by the 'Regulation on the Organizational Structure of EMRA and the Working Principles and Procedures Applicable to its Employees'.

Hereunder is the organizational chart;

## THE ORGANIZATION CHART OF EMRA



## Part I General Information

### 3. INFORMATION ON THE AUTHORITY

#### 3.1. Physical Structure

Our Authority performs its activities in its premises on Muhsin Yazıcıoğlu Caddesi No:51/C 06530 Yüzüncüyıl-ANKARA and its liaison office in Askerocağı Caddesi Süzer Plaza No: 9 Elmadağ/ İSTANBUL.

#### 3.2. Human Resources

The permanent and main functions required for the Authority's services are performed by contracted staff employed through administrative service contracts. The President, Board Members and other staff are subject to the provisions of the Law on Retirement Fund No: 5434. Except in respect to remuneration and financial rights, staff of the Authority is subject to the provisions of Law No. 657 on Civil Servants. The remuneration and other financial rights of the staff of the Authority are determined by the Board upon the proposal of the President within the principles set forth by the Council of Ministers.

Regulation on the Organization of the Energy Market Regulatory Authority and Working Procedures and Provisions Applicable to Its Employees, which was issued as per the

Article 9 of the Law numbered 4628 was adopted by the Decree of the Council of Ministers numbered 2001/3501 and dated 12712/2001 and published in the Official Gazette numbered 24645 and dated 19.01.2002. Norm number 1, showing the titles and numbers of cadres required for the fulfillment of the fundamental and continuous services of the Authority, was renewed by the Decision of the Council of Ministers dated 06.08.2012 and numbered 2008/14111 and published in the Official Gazette dated 04.10.2008 and numbered 27014.

Within the framework of establishing a career system, in order to meet the staff need of the Authority, in 2011 24 persons were recruited as per the Regulation on EMRA Assistant Energy Expert Entry Exam and Energy Expert Qualification Exam published in the Official Gazette dated 01.04.2002 and numbered 24713.

The titles, genders and academic background of the 467 staff as of the end of 2011 are as follows :

Title of Cadres	TOTAL NUMBER OF CADRES	NUMBER OF USED CADRES	ACADEMIC BACKGROUND							GENDER	
			PRIMARY SCHOOL	HIGH SCHOOL	ASSOCIATE DEGREE	BACHELOR'S DEGREE	MASTERS DEGREE	DOCTORATE	ASSOCIATE PROFESSOR	WOMEN	MEN
Vice President	2	1						1			1
Department Head	12	11				8	2		1	1	10
Advisor to the President	19	16				14	2				16
Group Director	45	45				30	15			5	40
Energy Expert	300	141				105	33	2		36	104
Assistant Energy Expert	115	62				60	2			22	40
Lawyer	25	11				8	3			8	3
Advisor to the Press	3	3				2	1				3
Principle Clerk	1	1		1							1
Special Bureau Manager	1	1					1			1	
Vice Principle Clerk	2	1		1						1	
Vice Special Bureau Manager	2	2		1			1			1	1
Liasion Office Manager	5	1				1					1
Administrative Services Expert	50	30				25	4	1		9	21
Analyzer	8	5				2	3				5
Programmer	6	2				2					2
Doctor	1	1				1				1	
Nurse	1	1			1					1	
Defense Expert	1	1				1					1
Technician	3	2		2							2
Operator	1										
Administrative Officer	95	88		7	5	67	9			31	57
Communications Officer	35	30		2	3	23	2			30	
Librarian	1	1				1					1
Driver	12	10	4	3	2	1					10
Deliveryman	4	1			1						1
<b>TOTAL</b>	<b>750</b>	<b>468</b>	<b>4</b>	<b>17</b>	<b>12</b>	<b>351</b>	<b>78</b>	<b>4</b>	<b>1</b>	<b>147</b>	<b>320</b>

Table 1: EMRA Staff Cadre Dispersion

Part I  
General  
Information

YEAR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
NO. OF STAFF	224	238	259	296	303	313	370	404	430	468

Table 2: Number of EMRA Staff As Per Years

The security and cleaning services of the Authority is outsourced as service procurement. The number of such personnel is as follows;

CADRE/DUTY	NUMBER	FEMALE	MALE
Guard and Security	38	6	32
Cleaner	73	30	43
Information, Visitor Guidance and Secretariat	36	21	15

Table 3: Number of Outsourced Personnel

3.2.1. In-Service Training

The authority provides in-service trainings to increase the practical and theoretical knowledge of the staff, to make them gain skills regarding their duties, improve their behaviors and ensure efficiency and total quality in services.

For the training of the staff at all levels, in-service training program is organized and these programs can be applied within the authority or abroad depending on the training needs of the staff. In addition, with Board Decision the staff may get training abroad with an aim to increase the information, experience and specializations.

The following activities were realized in 2011 regarding the training of the staff of the Authority;

- The Training Plan and Program for 2011 was prepared and put into effect.
- Between the dates 28 May 2011-7 August 2011 Assistant Energy Experts attended the 10 weeks' training program on "global Executive Program for Public Utilities (Turkish Energy Industry) held jointly by Public Utilities Institution of Visiting International Professional Program in Michigan State University.
- Internship programs were organized fro 38 Assistant Energy Experts at the institutions related directly or indirectly with the energy sector and at some regulatory bodies. Two technical study visits were organized for assistant energy experts.
- Within the framework of the Protocole dated 22.05.2008

between EMRA and International Gas Training Technology and Research Center (UGETAM) "Natural Gas and Energy Systems Exposition Tarining Program" was held in İstanbul between the dates 17-23 Sept 2011 and 02-09 Oct 2011. 43 staff of EMRA attended the training.

- 23 staff attended the training program on "Research Management and Thesis Preparetion Techniques" held by TODIE on 19-21 Jan 2011.
- Examination for recruiting assistant energy experts was held and 24 persons were employed. "Basic training, Preparatory Training and Intership programs" were held on 23 may-28 July 2011.
- 25 Asistant Energy Experts were trained on" reserach Techniques-Effective Presentation Techniques-Report Writing" on 05 Dec-26 Dec 2011.
- Internships were given to 37 university students in EMRA.

- 21 staff attended the training on " Petroleum Market in All its Aspects" held by the Energy Experts Association on 07-10 Sept 2011.
- In 2011 EMRA staff participated the training programs on; Public Financial Management and Control Law No: 5018, Movables Regulation, Law on the Adjudication of Civil Servants and Other Public Officals" Public Procurement Law No: 2886, State Tender Law No: 2886,Public Procurement Law No: 4734 and Public Tender Communiqué, Immovable Valuation, Peronal Performance Management, Official Statistics, Liquid fuel Smuggling.
- 20 staff attended the seminar on "Using Turkish Language Effectively and Accurately" held on 22 Nov-2 Dec 2011.
- 8 Assistant Energy Experts were sent abroad within the framework of Higher Education and Training Program.



### 1. LEGAL ARRANGEMENTS

The Board regulates the issues on market activities by regulations. The regulations to be issued are prepared by taking into consideration the views and comments of the legal persons operating in the market. In addition, the Authority may make regulation by taking decisions of special nature.

Below is the table for regulations made in 2011;

	Regulation	Amendments to Regulations	Communiqué	Amendments to Communiqués
Elektrik Piyasası	4	10	-	6
Doğal Gaz Piyasası	-	1	1	-
Petrol Piyasası	-	7	1	3
LPG Piyasası	-	4	-	-

Table 4: Regulations Made in 2011 As Per Sectors

#### 1.1. Legal Arrangements Regarding the Electricity Market

##### 1.1.1. Secondary Legislation

##### Regulation on Exempted Generation in the Electricity Market

Regulation on Exempted Generation in the Electricity Market was published in the Official Gazette dated 03.12.2010 and numbered 27774. However, it was repealed due to significant amendments made to the Amending Law to the Law on Utilization of Renewable Energy Resources for the Purposes of Electricity Generation dated 29.12.2010 and numbered 6094 and to the Law on the Utilization of Renewable Energy Resources for the Purposes of Electricity Generation dated 10.05.2005 and numbered 5346. For that reason, the regulation was prepared again and published in the Official Gazette dated 21.07.2011 and

numbered 28001.

Within that scope, the Regulation covers the principles and procedures applicable to the real and legal persons exempted from the obligation of getting a license and incorporating and establishing co-generation facilities for the aim of meeting their own needs and applicable to the real and legal persons exempted from the obligation of getting a license and incorporating and establishing renewable energy resources based generation facilities with at most 500 MW installed capacity and micro co-generation facilities and the technical and financial principles and procedures applicable to the real or legal persons exempted from the obligation of getting a license and incorporating and establishing renewable energy resources based generation facilities with at most 500 MW installed capacity and micro co-generation facilities in case such persons give the excess amount of generated electricity to the system.

##### Electricity Market Tariffs Regulation

With the Regulation Amending the Electricity Market Tariffs Regulation published in the Official Gazette dated 31.12.2011 and numbered 28159;

- Provisional Article 11 of the Electricity Market Tariffs Regulation published in the Official Gazette dated 11.8.2002 and numbered 24843 was repealed.

The repealed article is:

- The parameters to be used in the calculations to be made to determine the revenue and/or price caps of the legal persons whose tariffs are subject to regulation for one implementation period shall be determined by the regulated regulation to be made by the Board.



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### Electricity Market Customer Services Regulation

With the Regulation Amending the Electricity Market Customer Services Regulation published in the Official Gazette dated 13 July 2011 and numbered 27993;

- The following definition was added to the end of the first sentence of the Article 4.
- "36. Sealing: Is the method of protecting the measuring mechanism by lead or plastic seal with serial number after the completion of the procedures such as first power supply, control of the meter and metering equipment personel, power cutting and connecting with an aim to avoid the external interventions to be made to meter and measuring equipment personel."
- Fourth sentence of the Article 13 was changed as follows; "Distribution license holding legal person shall cut and take under seal the electricity power of the real or legal persons determined to be consuming stolen electricity at the end of the theft determination process and shall file a criminal complaint to the Public Prosecutor's Office."

### Electricity Market Eligible Consumer Regulation

With the Regulation Amending the Electricity Market Customer Services Regulation published in the Official Gazette dated 8 February 2011 and dated 27840 the following amendments were made;

- It was made obligatory to put the up to date list of eligible consumers on the website of the related distribution company until all consumers become eligible.
- In cases of demand consolidation, the eligible consumer document including the total electricity amount consumed within the previous calendar year shall be submitted by the distribution companies operating in the region where the city of the tax register of the legal person is kept.

- Except for the cases of demand consolidation, in case demanded during the registration of the consumers to Market Financial Reconciliation Center, the originals or approved copies of the bills pertaining to the previous calendar year shall be deemed as eligible consumer document.
- The suppliers supplying electricity power and/or capacity to eligible consumers through bilateral contracts shall notify EMRA of the total sale to the eligible consumers within the last year and the weighted average sale price related to such sale in each November.
- In case the eligible consumers connected to the transmission system fail to make the payments stated in the bilateral contract in due time, upon the written application of the supplier and the failure of the consumer in documenting the payment, the power of the consumer shall be cut in line with the related legislation by the transmission licensee. Provided that the consumer proves the payment with documents, the power shall be re-connected within two working days.
- Distribution companies are obliged to publish on their web site and notify the Authority in each January of the total electricity amount consumed by the consumers not using the right to choose their supplier although they reach the eligible consumer limit.
- Within the transition period the supplier changes to be made upon the demands of the consumers supplying electricity from the retail license holding distribution companies shall be applicable as of 1 January, 1 April, 1 July and 1 October.

### Electricity Market Import and Export Regulation

On 18 September 2010 interconnection condition was met between the European electricity system and Turkey. In the

following period, tenders for capacities were issued within TEİAŞ as of 2011 June in order to ensure the more effective use of the interconnection capacity between Turkey, Bulgaria and Greece. Within this framework, comprehensive amendments were made in the Electricity Market Import and Export Regulation to determine the principles and procedures of electricity import/export activities and the principles for capacity allocation of international interconnection lines and the use of the same for cross border electricity trade. These amendments were published in the Official Gazette dated 01.06.2011 and numbered 27951.

### Electricity Market Distribution Regulation

With the Regulation Amending the Electricity Market Distribution Regulation published in the Official Gazette dated 18 June 2011 and numbered 27968, second sentence of the article 5 of the Distribution Regulation was amended as follows:

- In the connection applications made by the users; the electricity project including the technical features such as number and power of the engine and electrogen groups, number and power of the low, medium and high level charging units to be established to charge electrical vehicles, lighting and heating system and power, protection system shall be submitted to the distribution company. The distribution company may ask for additional information from the user.

### Electricity Market Balancing and Settlement Regulation

On 1 December 2011 Day ahead planning stage ended and Day ahead market started. Within that scope with the Amending Regulations to the Electricity Market Balancing and Settlement Regulation published in the Official Gazette dated 20.02.2011 and numbered 2785 and dated 03.11.2011 and numbered 228104;

- It was made obligatory for the participants to pay in warranty. The warranty mechanism is operated by ISE Settlement and Custody Bank Inc.
- In case the regional constraints are systematic, regional market and price formation became possible.
- Market participants were enabled to join under a portfolio to be less affected by the imbalance prices.
- Amendments were made in the pricing mechanism of the Balancing Power Market and the participants were encouraged to balance their portfolios in the Day Ahead Market.

### Electricity Market Ancillary Services Regulation

With the Regulation Amending the Electricity Market Ancillary Services Regulation published in the Official Gazette dated 17.12.2011 and numbered 28145 the following regulations were made;

- Ancillary Services Certificates shall be granted by the companies accredited as a type control institution as per the Standard TS EN ISO IEC 17020, granted compliance letter by TÜRKAK or other accreditation institutions with mutual recognition contract to do ancillary services performance tests.
- In case a generation facility, that made notification to the system operator to ensure primary frequency control reserve amount, is out of service due to a de-loading instruction taken from the system operator within the scope of balancing power market, during this period the related generation facility shall be deemed to have ensured the primary frequency control reserve amount it notified in the day ahead.
- In cases where the unit(s) of a generation facility which is in service can not ensure the notified primary frequency control reserve amount due to a breakdown hindering the

## Part II Information on Activities

participation to the primary frequency control service or due to being out of service as a result of unpredicted operational conditions or due to falling behind the minimum stable generation level, no penal sanctions shall be imposed for the related day provided that the generation facility first verbally and then in writing notify the related Regional Load Dispatch Center.

- The loading and de-loading instructions given to establish capacity to form secondary frequency control reaction are labeled with the code two (2) and shall not be taken into consideration in the determination of the system marginal price for the related hour.

In addition, Imbalance Pay-back will made to the generators in addition to the secondary frequency control service fee. Certain amendments were made to the provisions regarding the calculation of disbursements related with the ancillary services provided by the generators, payment notification and billing .

### Regulation on Certification and Supporting of Renewable Energy Resources

Regulation on Certification and Supporting of Renewable Energy Resources was published in the Official Gazette dated 21.07.2011 and numbered 28001. The regulation is based on the Articles 5, 6, 6/A, 6/B and 11 of Law on Utilization of Renewable Energy Sources for The Purpose of Generating Electrical Energy dated 10.05.2010 and the Article 5 of Electricity Market Law dated 20.02.2011.

The regulation covers the duties and responsibilities of public institutions on granting Certificate of Renewable Energy Resource to generation license holders and regulating the establishment and operation of RES Support Mechanism defined in the Law on Utilization of Renewable Energy Sources for The Purpose of Generating Electrical Energy and definition of principles and procedures regarding rights

and liabilities of the related parties.

### Regulation on Examination and Auditing the Operations of Generation and Distribution Companies

“Regulation on Examination and Auditing the Operations of Generation and Distribution Companies' entered into force after it was published in the Official Journal No. 28082 of 12.10.2011. The regulation is based on the Article 6/C of the Law on Utilization of Renewable Energy Sources for The Purpose of Generating Electrical Energy.

The regulation covers the principles and procedures regarding the examination and auditing the generation and distribution companies, for their operations in the scope of their licenses, by audit companies according to legislation regarding the electricity market and on behalf of EMRA. “

### BOARD DECISIONS

In accordance with the clause (b) of paragraph 6 of Article 5 of Electricity Market Law and Article 10 of Electricity Market Eligible Consumer Regulation , eligible consumer limit for 2011 was reduced to 30.000 kWh by the Board Decision dated 26.01.2011 and numbered 3054.

In accordance with the clause (a) of paragraph 4 of Article 2 of Electricity Market Law, by the Board Decision dated 27.12.2011 and numbered 3584, it was decided that for the year 2012 that an Autoproducer can sell fourty percent of the annual average electricity generation amount, specified in the licenses in a calendar year.

In accordance with the clause (a) of paragraph 4 of Article 2 of Electricity Market Law, by the Board Decision dated 06.01.2011 and numbered 3003/43, it was decided that for the year 2011, the amount that an Autoproducer can sell continues to be twenty percent of the annual mean electricity

generation amount, specified in the licenses in a calendar year.

Balancing And Settlement Principles and Procedures Regarding Import and Export was approved by the Board Decision dated 17.07.2011 and numbered 3301/44.

In accordance with the clause (c) of paragraph 3 of Article 10 of Electricity Market Law, by the Board Decision dated 11.08.2011 and numbered 3354/46, the upper limit for letter of bank guarantee is determined to be 157.200.000 (one hundred fifty seven million and two hundred thousand) Turkish Lira.

“Estimated Consumption Value Determination Methodology” and “The minimum technical requirements for the meters, communication equipment and additional equipment and infrastructure to be included in the scope of the Automatic Meter Reading Systems (AMRS)” prepared within the framework of “Principles and procedures of the Determination of the Scope of AMRS and Meter Values” were approved by the Board Decision dated 20.10.2011 and numbered 3465/100.

The primary frequency control unit service cost offered by TEİAŞ was determined to be 1,73 TL/MWh fort he 4th quarter of 2011 with the Board Decision dated 18.08.2011 and numbered 3387.

The tariff tables approved to be implemented as of 01.04.2011 with the Board Decision dated 24.03.2011 and numbered 3135 were updated with the Board Decision dated 30.06.2011 and numbered 3300 in line with the Provisional Article 9 of the Electricity Market Law No: 4628, Principles and Procedures of Cost Based Pricing Mechanism to be Applied by Energy SEEs adopted by the Decision of the High Planning Council dated 14.2.2008 and numbered 2008/T-5, the related legislation and the demands of the distribution companies.”

With the Board Decision dated 19.01.2011 and numbered 3035 it was decided that the Distribution Loss Coefficients (DLC) in the Distribution Regions Loss Coefficients Table determined in the Art (a) of the Board Decision dated 27.12.2006 and numbered 1040 to be implemented as 0(zero) as of 01.01.2011.

The Principles and Procedures regarding the Capacity Allocations as per the Electricity Market Import and Export Regulation and the Secondary Commercial Transmission Right Market were approved by the Board Decision dated 02.06.2011 and numbered 3258.

### 1.2. Legal Arrangements Regarding the Natural Gas Market

#### Law Amending the Natural Gas Market Law No.4646

The following paragraph was added to the clause(d) of the fourth paragraph of Art.4 of the Natural Gas Market Law No: 4646 with the Law No:6111 Concerning the Restructuring of Certain Receivables, and Amending the Social Security and the General Health Law and Certain Other Laws and Decrees published in the Official Gazette dated 25 Feb 2011 and bis numbered;

- In the storage license applications made or to be made; information including the city, province, village, district, parcel of the place subject to application is announced in the website of EMRA. Within the period set forth in the announcement, the license applications shall be evaluated on the basis of criteria to be determined by the Board in case there will be another storage license application for the same region. In case more than one application is found to be eligible as a result of the evaluation, competetion shall be made among these legal perons for increasing the license fee. However, in case at least half of the immovables on the field where the storage activity will be made belongs to the applicant or its partners or in case

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usufruct right or similar permissions had been established on minimum half of the immovables on the field on the name of the licence applicant or its partners, this application shall be accepted and others shall be rejected. The announcement for the application, evaluation criteria and the principles and procedures of the competition shall be determined by regulation.

### 1.2.1. Secondary Legislation

#### Regulation on the Principles and Procedures for Basic Usage of Underground Storage Facilities

Regulation on the Principles and Procedures for Basic Use of Underground Natural Gas Storage Facilities setting forth the issues to be included in the principles and procedures for basic use to be prepared by storage companies was published in the Official Gazette dated 4 June 2011 and dated 27954.

#### Amending Regulation to the Natural Gas Market Licensing Regulation

Amending Regulation to the Natural Gas Market Licensing Regulation was published in the Official Gazette dated 09.04.2011 and numbered 27900.

The regulation aims to solve certain problem faced during the implementation. It was ensured that the provisions of the Regulation on the Principles and Procedures to be Applied in the Provision of Public Services published in the Official Gazette dated 31.07.2009 and numbered 27305 by the Prime Ministry are applied also for the procedures to be made within the scope of the Natural Gas Market Licensing Regulation.

#### Communiqué Regarding the Fines to be Implemented in 2011 As per the Art. 9 of the Natural Gas Market Law

The amounts of administrative fines to be applied as of

01.01.2012 as per the Art.9 of the Natural Gas Market Law No: 4646 were re-determined with the Communiqué published in the Official Gazette dated 23.12.2011 and numbered 28151.

### BOARD DECISIONS

Within the framework of the Provisional Art. 2 of the Natural Gas Market Law No: 4646, within the scope of the studies conducted for the transfer to third parties of Natural Gas Sale and Purchase Contracts to which BOTAS is a party as the buyer, the tender announcement for the gas release of 6 billion contract cubic meters of Natural Gas Sale Contract of 16 billion contract cubic meters signed on 15.12.1997 with Gazprom Export LLC was published in the Official Gazette dated 13.05.2011 and numbered 27933.

Upon the publication of the aforementioned tender announcement, it was decided by the Board Decision dated 22.06.2011 and numbered 3285 that the qualified companies for import licenses shall be determined and the import license applications to be filed in the Authority as a result of the tender shall be accepted.

The natural gas sale and purchase contract subject to the import license No: DİT/131-09/012 and dated 18.04.2003 granted to BOTAS to import natural gas from Russia within the scope of the contract signed with Gazprom Export Limited Liability Company on 14.02.1986, terminated on 31.12.2011. The aforementioned import license of BOTAS was terminated by the Board Decision dated 26.10.2011 and numbered 3475/8. Within that scope, in line with the provisions regarding the import to be made with the countries with which BOTAS has existing contracts and which are stated in the Provisional Art. 2 of the Natural Gas Market Law No:4646, it was decided by the Board Decision dated 26.10.2011 and numbered 3476 to grant import licenses for the new import contract(s) to be signed as of the date of the

termination of the contract subject to the import license of BOTAS dated 18.04.2003 and numbered DİT/131-09/012.

"2011 National Natural Gas Consumption Forecast" was determined to be 39 billion cubic meters (415 billion kWh) with the Board Decision dated 26 Jan 2011 and numbered 3055/6.

Certain amendments in the Network Code were adopted by the Board Decision dated 12.04.2011 and 3161 and dated 28.12.2011 and dated 3617 in line with the Section 21 of the Network Operation Code of BOTAS and the Art.5 of the Natural Gas Market Transmission Network Operation Regulation.

With the Board Decision dated 28.04.2011 and numbered 3194 published in the Official Gazette dated 13.05.2011 and numbered 27933, BOTAS's 2011 national transmission network investment program including the transit natural gas transmission was approved and with the Board Decision dated 08.12.2011 and numbered 3529, the amendments in the 2011 investment program were approved.

The eligible consumer limit stated in the 1st sub-paragraph of paragraph (a) of the Art.8 of the Law was determined to be 300.000 m<sup>3</sup> by the Board Decision dated 28.12.2011 and numbered 3600.

The amounts of administrative fines to be applied as of 01.01.2012 were re-determined with the Communiqué on the Administrative Fines to be Applied in 2012 as per the Art.9 of the Natural Gas Market Law and amending the Electricity Market Law published in the Official Gazette dated 23.12.2011 and numbered 28151.

### 1.3. Legal Arrangements Regarding the Petroleum Market

#### 1.3.1. Secondary Legislation

#### Regulation Amending the Regulation on National Marker Implementation in the Petroleum Market

With the "Amending Regulation to the Regulation on National Marker Implementation in the Petroleum Market" published in the Official Gazette dated 17.05.2011 and numbered 27937;The Provisional Art.1 of the Regulation was amended as follows;

- "The provision herein, shall not be applied until 31.12.2012 to naphtha, gas oil and fuel-oil types and reference test fuels supplied from other countries with R&D and testing purposes provided that they are permitted and certified later by EMRA. "

#### Regulation Amending the Regulation on Technical Criteria to be Implemented in the Petroleum Market

The Regulation on the Technical Criteria to be Implemented in the Petroleum market was amended twice in 2011;

With the amendment published in the Official Gazette dated 25.06.2011 and numbered 27975 the following paragraph was added to the 1st paragraph of the Art.4 of the Regulation on Technical Criteria to be Applied in the Petroleum Market;

- çç) Liquid fuel quality monitoring system: In order to determine the risks regarding the quality of the liquid fuel supplied to the market and the measures related to the same, activities of monitoring, collecting, interpretation and reporting of the periodical developments and the regional dispersion of these developments regarding the criteria in the technical regulations of the liquid fuels, controlling the compliance of the related persons with the chosen liabilities and starting the necessary procedures in case of determination of incompliance,



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The following article was added after the Art. 11/A of the Regulation;

### Liquid fuel Quality Monitoring System Art. 11/B

- Within the scope of the activities of liquid fuel quality monitoring system, the number of samples to be taken from the liquid fuel types in circulation, types of liquid fuels from which samples will be taken, determination of the sites from which the samples will be taken and reporting of the results shall be determined with Board Decision.

With the amendment published in the Official Gazette dated 28.10.2011 and numbered 28098 sub-paragraph (a) of the paragraph 11 of Art.10 of the Regulation on Technical Criteria to be applied in the Petroleum Market was amended as follows;

- a) All or the ones determined by the Board of the features in the Annex: 1-A and Annex 1-B Tables for the petroleum with technical regulation,

### Amendment to the Petroleum Market Licensing Regulation

Petroleum Market Licensing Regulation was amended 6 times in 2011;

With the amendment published in the Official Gazette dated 15.03.2011 and numbered 27875;

- license modification, extension, termination and cancellation procedures which significantly affect the rights and liabilities of the licensees were set in details and the ambiguities in these issues were eliminated.

With the amendment published in the Official Gazette dated 21.04.2011 and numbered 27912;

- It was decided that the licensees dealing with bunker

delivery activity in the airports where there is no licensed storage facility and which are open to civil air transportation may give liquid fuel supply service to the other licensees dealing with bunker delivery in addition to their own activities via the tankers they use as the plane supply vehicle provided that the provisions of related other legislation are met.

With the amendment published in the Official Gazette dated 31.05.2011 and numbered 27950;

- It was decided that third persons may give collection intermediation service in the supply of bunker to marine and aviation vehicles within the scope of export and transit regime provided that the physical delivery is made by the bunker delivery license holders and the bunker is used for the needs of the vehicles to which it is supplied.

With the amendment published in the Official Gazette dated 28.07.2011 and numbered 28008;

- It was stipulated that the sale of the distribution licensees within the scope of their "with stations licenses" shall not exceed 15% of the total domestic market share of the distributor.

With the amendment published in the Official Gazette dated 10.08.2011 and numbered 28021;

- In Lubricant license applications, it was made obligatory to submit to EMRA the capacity report of the facility whose generation competence rate is at least 50%.

With the amendment published in the Official Gazette dated 04.11.2011 and numbered 28105;

- Amendments and corrections were made in various issues such as payment and return of the license fees, license modification and extension procedures, determination of the liabilities stemming from the vendorship contracts and

station automation system and the strengthening of the basis of some administrative implementations needed in the license procedures.

### Amendment to the Petroleum Market Information System Regulation

In the Petroleum Market Information System Regulation certain notifications were repealed with the amendments published in the Official Gazette dated 03.11.2011 and dated 28104.

### Communiqué Regarding the Fines to be Applied in 2011 As per the Art. 19 of the Petroleum Market Law

With the communiqué published in the Official Gazette dated 03.12.2011 and numbered 28151, the amounts of administrative fines to be applied as of 01.01.2012 as per the Art. 19 of the petroleum Market Law were re-defined.

### Amending Communiqué to the Communiqué on Technical Regulation Regarding the Diesel Types

With the amendment published in the Official Gazette dated 27.09.2011 and numbered 28067 the following clause was added to the first clause of the second Art. Of the "Technical Regulation Communiqué on Diesel Types (Liquid Fuel serial no:15)" published in the Official Gazette dated 07.08.2009 and numbered 27312;

- "Fatty acid methylene ester (YAME) produced from domestic agricultural products content of the diesel types placed on the market as liquid fuel is obliged to be;

At least 1% (V/V) as of 1.1.2014,

At least 2% (V/V) as of 1.1.2015,

At least 3% (V/V) as of 1.1.2016

The second clause of the Art.2 of the communiqué continued with the addition of the above sentence.

### Amending Communiqué to the Communiqué on Technical Regulation Regarding Benzene Types

"Technical Regulation Communiqué on Benzene Types" published in the Official Gazette dated 07.08.2009 and numbered 27312 was amended twice in 2011;

With the amendment published in the Official Gazette dated 25.05.2011 and numbered 27944 the first paragraph of the second article of the Communiqué was amended as follows;

- "The benzene types supplied to the market as liquid fuel or in circulation are obliged to be in compliance with the annexed "TS EN 228 Automotive Fuels-Unleaded Benzene- features and Experiment Methods" Standard dated March 2010 and prepared by the Turkish Standards Institute."

With the amendment published in the Official Gazette dated 27.09.2011 and numbered 28067 the following clause was added to the end of first paragraph of the second article of the Communiqué;

- "The domestically produced ethanol content of the benzene types supplied to the market as liquid fuel is obliged to be;

At least 2% (V/V) as of 1/1/2013,

At least 3% (V/V) as of 1/1/2014,

### Technical Regulation Communiqué on Fuel Oil Types

The Technical Regulation Communiqué on Fuel Oil Types (Liquid Fuel Serial No: 24) published in the Official Gazette dated 05.01.2012 and numbered and Technical Regulation Communiqué on Fuel Oil Types (Liquid Fuel Serial No: 17) published in the Official Gazette dated 07.08.2009 and numbered 27312 were repealed. In the enacted Communiqué it is stipulated that;

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- the fuel oil types supplied to the market as liquid fuel or in the circulation" it is obligatory that;

a) Sulphur content of heating oil to be at most 1% and other technical features to be compliant with the features of "Fuel Oil 4" placed in the chart No:1 in the "TS 2177-Fuel Oil" Standard dated Oct. 2006,

b) Technical features of fuel oil to be compliant with the features of "Fuel Oil 3" placed in Chart No:1 in the "TS 2177-Fuel Oil" Standard dated Nov. 2006,

c) Technical features of fuel oil with high sulphur to be compliant with the "Fuel Oil 6" features placed in the Chart No:1 in "TS 2177-Fuel Oil" Standard dated Nov.2006.

### BOARD DECISIONS

- With the Board Decision dated 28.04.2011 and numbered 3195-11 published in the Official Gazette dated 11.05.2011 and numbered decision was taken on the principles and procedures regarding the productions to be made as per the paragraph 3 of the Art.11 of the Communiqué Regarding the Packing and Placing on the Market of the Lubricants .
- With the Board Decisions dated 31.05.2011 and numbered 3242/4, 3242/3, 3242/2 published in the Official Gazette dated 09.06.2011 and numbered 27959 decisions were taken regarding the information and documents to be asked for in the extension and modification of licenses in the petroleum market and explanations for license applications.
- With the Board Decision dated 14.06.2011 and numbered 3274-3 published in the Official Gazette dated 23.06.2011 and numbered 27973 decision was taken on the decision was taken on the principles and procedures regarding the collection intermediation service to be given for the supply

of bunker to marine and aviation vehicles within the scope of the export and transit regime in the petroleum market.

- With the Board Decision dated 22.06.2011 and numbered 3287 published in the Official Gazette dated 01.07.2011 and numbered amendment was made to the Board Decision dated 27.06.2007 and dated 1240 on the principles and Procedures regarding the vendor audit system of the distribution license holders in the petroleum market.
- With the Board Decision dated 28.07.2011 and numbered 3339-13 published in the Official Gazette dated 05.08.2011 and numbered 28016 the principles and procedures regarding the Petroleum Market Liquid Fuel Quality Monitoring System.
- With the Board Decision dated 23.11.2011 and numbered 3510-5 published in the Official Gazette dated 07.12.2011 and numbered 28135 the principles and procedures regarding the features to be examined in the preparation of the control reports.
- With the Board Decision dated 20.12.2011 and numbered 3556 published in the Official Gazette dated 28.12.2011 and numbered 28156 it was decided to grant permission for the trade among distributors between the dates 01.01.2002 and 31.12.2012 in line with the provisions of the related legislation, Board Decision dated 22.04.2009 and numbered 2073 and Petroleum Market Information System Regulation.
- With the Board Decision dated 22.12.2011 and numbered 3572-12 published in the Official Gazette dated 31.12.2011 and numbered 28159 "Decision on Articles related to Crude Oil, Liquid fuel, Bunker, Lubricant, Base Oil and Petroleum" was adopted and the general regulations on these petroleum types were updated.

### 1.4. Legal Arrangements Regarding the Liquefied Petroleum Gases(LPG) Market

#### 1.4.1. Secondary Legislation

#### BOARD DECISIONS

- It was decided by the Board Decision dated 06.01.2011 and numbered 3007 that no promotions can be made except for service and financial promotions in the LPG sale as of 31.01.2011.
- It was decided by the Board Decision dated 02.06.2011 and numbered 3251/1 to repeal the Board Decision dated 16.03.2006 and numbered 691/192 stating that " It is decided not to ask for "minimum distance fact-finding report" in the license applications of the persons whose vendorship activity is registered in their certificate for opening a business and working after 01.01.2005 and who have proving documents that they had been performing LPG Autogas vendorship activity before the date of effectiveness of the Law No:5307 which is 13.03.2005."

### 2. LICENSING PROCEDURES

A license is the authorization document the legal persons are obliged to get from the Authority to operate in the market.

#### 2.1. Electricity Market Licensing Activities

##### 2.1.1. License Procedures

In the first paragraph of the Article 2 of the Electricity Market Law No:4628, the electricity market activities are defined as generation, transmission, distribution, wholesale, retail, retail service, trade, import and export activities. In the Article 2 of the Law, the activities that can be performed with the provision of having a license and the legal persons that can operate in the market are defined. Within this scope, the legal persons willing to operate in the electricity market

should get a license from the Authority. The principles and procedures regarding the licenses to be granted by the Authority are set forth in the Electricity Market License Regulation.

All the market activities in the electricity market are conducted through the licenses granted by the Authority. A separate license for each market activity and facility or region is required. License holders are liable to hold separate accounts for each licensed activity.

Licenses can not be transferred however, the shares of the licensee can be transferred. The transfer of the shares of the licensee is subject to Board approval. This provision is also applicable for granting privilege or cancellation of privilege even if there is no transfer of shares by obtaining right to vote. In addition, it is obligatory to get Board approval for mergers in case all the assets and liabilities of a license holding legal person are planned to be transferred by a single license holding legal person.

Licenses can be granted for up to 49 years with a minimum period of 10 years for transmission and distribution licenses. The licencees are obliged to perform the activities within the scope of the license as per the framework determined in his license. The license holding legal persons are obliged secure their generation, transmission and distribution facilities with an all assets risk insurance covering the risks of natural disasters, fire and accidents.



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on Activities

The licenses granted by the Authority and are still in effect in the Electricity market are as follows;

Type of License	Year the license is granted ( Number of License )									Number of Licenses as of the end of 2011
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Transmission License	1									1
Distribution License				19		1	1	1		22
Retail License				19		1	1	1		22
Wholesale License	6	10	4	4	3	6	8	48	53	142
OIZ Distribution License					57	49	13	8	11	138
Generation License	137	52	55	86	185	222	168	120	311	1.336
Autoproducer License	105	14	18	18	10	22	8	16	40	251
Total	249	76	77	146	255	301	199	194	415	1.912

Table 5: Dispersion of the Licenses Granted by EMRA According to Types and Years

The dispersion of the generation and autoproducer licenses according to the fuel/source types are as follows:

Type of Source/Fuel	2011		Total	
	Number	Installed Capacity (MW <sub>m</sub> )	Number	Installed Capacity (MW <sub>m</sub> )
Hydroulic	150	1841,16	760	19483,33
Natural Gas	60	6332,90	278	20256,21
Lignite	1	38,10	33	4379,68
Wind	120	4070,20	209	7479,25
Coal	3	20,12	21	9070,93
Fuel Oil	2	60,03	35	1246,08
Asphaltit	0	0,00	2	688,75
Geothermal	6	139,14	17	401,05
Landfill Gas	1	5,80	9	120,02
Biogas	5	8,89	14	22,34
Biomass	3	13,63	5	16,43
Total	351	12.529,97	1.383	63.164,07

Table 6: Dispersion of the Licenses Granted by EMRA According to Fuel/Resources Types

As it can be understood from the table, in 2011 mostly hydroulic power plants were licenses and are followed by wind power stations.

Considering the table above, when we make an evaluation on the basis of resource/fuel type, in 2011 the highest number of licenses were granted to hydroelectricity power plants, followed by wind power plants. Data on the new elelectricity generation capacity taken into operation by the private sector between the years 2004-2011 is given in the table hereunder. In 2011 3716,4 MW of new generation capacity was taken into operation.

The dispersion of the licenses in 2011 which are cancelled, terminated and become inoperative for other reasons is shown in Table 7.

Type of License	Cancelled	Terminated	Other Reasons
Hydroulic	2	36	
Biogas-Biomass		2	
OSB		1	
Wind		8	
Thermic		7	1
Total	2	54	1

Table 7: Dispersion of the Cancelled Licenses in 2011 According to Types

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New Electricity Generation Capacity taken into Operation by the Private Sector Between 2003-2011										
Type of Fuel	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total (MW)
Asphaltit							135			135
Biogas				0,8			6,3	1,4		8,5
Landfill Gas				5,2	1,4	17	15,6	15,6	18,2	73
Natural Gas	179,0	329,2	977,1	460,8	228,8	363,8	1.415,90	1.750,1	1.299,0	7003,69
Hydroelectric		66,7	45,6	105,4	31,5	327,1	512,768	1235,2	1.293,70	3617,97
Imported Coal	43,2	45	141				270	1360	625	2484,15
Geothermal				8		6,9	47,4	17	20	99,30
Wind	87,9		1,2	38,9	76,4	217,1	438,6	528,6	418,5	1807,16
Fuel Oil	58,3	128,5	6,8		29,6	14,8			32,1	270,15
Lignite					16			30		46
Other	20,0		11,5			16,4	39,2	10	10	107,14
Total	388,4	569,4	1183,2	619,1	383,7	963,1	2880,768	4947,9	3716,5	15652,1

Table 8: New Electricity Generation Capacity taken into Operation by the Private Sector Between 2003-2011

2.1.2. Import and Export Permits

Wholesale license holders may engage in import or export activities. Within that scope;

- Permission was given to Aksa Electricity Wholesale Co.Inc. to export 500 MW of electricity through Birecik-Aleppo line by the method of isolated region feeding for 1 year starting from 06.06.2011.
- Permission was given to TGR Energy Wholesale Trade Co.Inc. to import electricity from Georgia through Batumi TM-Hopa TM line by the method of isolated region feeding until 31.12.2011.
- Permission was given to GENT Electricity Wholesale Co.Inc. to import electricity from Iran by the method of isolated region feeding through Khoy-Başkale line for 150 MW and through Doğubeyazıt-Bazargan line for 40 MW for 1 year starting from 01.01.2011.

2.2. Natural Gas Market Licensing Activities

2.2.1. License Procedures

The market activities are defined in the Article 4 of the Natural Gas Market Law No: 4646 and it is stipulated that the legal persons to be engaged in market activities shall obtain a license. The production of natural gas is not provided for as a market activity, it is performed within the scope of the search and operation certificates taken from the Directorate General for Petroleum Works as per the Petroleum Law No: 6326. However, the companies producing natural gas should get wholesale and/or export license to sell the gas as per the Law No: 4646. The principles and procedures regarding the licenses for natural gas market activities are set forth in the Natural Gas Market Licensing Regulation. Licenses are granted for at least 10 and at most 30 years.

The types of licenses that can be obtained from the Authority according to the field of activity are; import, export, wholesale, storage, transmission, CNG, distribution license.

Evaluation of the license applications filed into the Authority to operate in the natural gas market continued in 2011 and 2 distribution, 8 import (spot LNG), a total of 31 licenses ; 3 wholesale, 6 transmission (LNG), 6 CNG transmission-distribution and 6 CND sale licenses were granted. In 2011, a total of 6 licenses; 2 wholesale, 1 transmission (LNG) and 3 CNG licenses were terminated.

As of the end of 2011 the total number of licenses is 243 and dispersion of the same is as in Table 9.

	TYPE OF LICENSE	NUMBER
1	Import	42
	Long Term	12
	Spot LNG	30
2	Export	4
3	Wholesale	37
4	Storage	4
5	Transmission	1
6	Transmission (LNG)	22
7	Compressed Natural Gas (CNG)	71
	CNG Sale	46
	CNG Transmission and Distribution	25
8	Distribution	62
	TOTAL	243

Table 9: Dispersion of Natural Gas Market Licenses as of the end of 2011

In addition, the licenses in effect were renewed when deemed necessary as per the provisions of the legislation.

Import License

Amounts of imports realized by Import companies in 2011 are shown in the table hereunder;

2011 IMPORT AMOUNTS	
COMPANY	( million m <sup>3</sup> /year)
Shell Energy Co.Inc.	245,5
Bosphorus Gas Corp. Co.Inc.	737,3
Enerco Energy Industry and Trade Co.Inc	2.457,38
Eurasia Gas Co.Inc.	488,45
EGEGAS	895,11
BOTAŞ	39.050,71
TOTAL	43.874,44

Table 10: Natural Gas Import Amounts According to Companies

## Part II Information on Activities

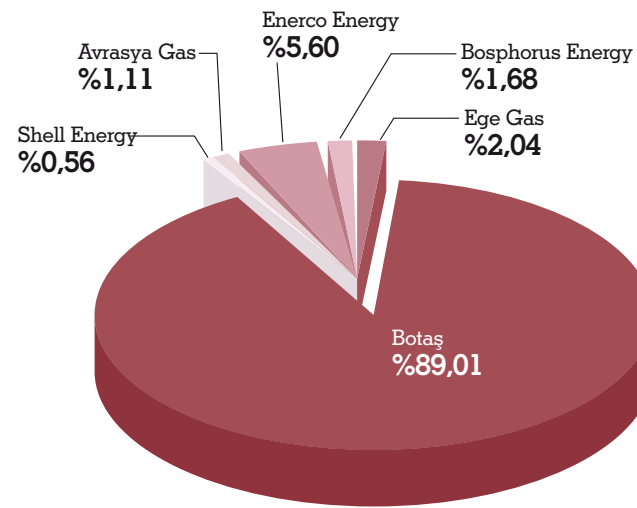


Diagram 1: 2011 Import Companies' Market Shares (%)

Due to problems stemming from the supplier and transit countries and technical reasons, there were cases where problems were encountered in ensuring the daily supply-demand balance as natural gas supply was below the daily gas contract values especially in winter. On the other hand, with the Law Amending the Electricity Market Law and Some Other Laws dated 09.07.2008 and numbered 5784, LNG import was liberalized for BOTAŞ and for other market participants and spot LNG import, de-regulated by 4646 earlier, was taken under regulation. Within that scope, EMRA granted 8 companies spot LNG licenses in 2011 and as of the end of 2011, the number of total spot LNG licenses has reached to 30.

### Distribution License

As per the Natural Gas Market Law, the Authority has been given the duty of conducting natural gas in-city distribution tenders. Therefore, within the period after the Law no:4646 the Authority granted in city distribution licenses for 55 distribution regions together with the 7 distribution companies operating before the Law, the total number of companies holding distribution licenses have reached to 62 as of the end of 2011.

For 2012 and later, it is planned to supply natural gas to Aydın and Siirt-Batman distribution regions.

The total number of total subscribers in the cities gasified before and after the Law No: 4646 is given hereunder;

No	Tender (City) Name	TOTAL number of subscribers	No	Tender (City) Name	TOTAL number of subscribers
1	Kayseri	177.064	29	Şanlıurfa	25.174
2	Konya	142.769	30	Aksaray	35.876
3	İzmir	158.642	31	Tokat Amasya	42.371
4	Samsun	83.625	32	Konya-Ereğli	12.323
5	Erzurum	70.875	33	Elazığ	28.349
6	Sivas	68.401	34	Trabzon Rize	20.482
7	Malatya	76.464	35	Çatalca	14.901
8	Çorum	78.213	36	Polatlı	17.845
9	Kırıkkale-Kırşehir	63.373	37	Afyon	4.167
10	Denizli	68.752	38	Karaman	19.388
11	Gebze	96.014	39	Gemlik	13.335
12	Balıkesir	58.190	40	Karabük-Kastamonu-Çankırı	38.723
13	Çorlu	51.438	41	İsparta-Burdur	20.950
14	Kütahya	55.137	42	M.Kemalpaşa Karacabey Susurluk	16.395
15	K.Ereğli-Düzce-Alaplı	105.982	43	Van	8.633
16	Yalova	59.700	44	Erzincan	11.979
17	Manisa	20.799	45	Ordu-Giresun	11.309
18	Diyarbakır	72.963	46	Kars-Ardahan	21.071
19	Bilecik Bolu	39.488	47	Gümüşhane - Bayburt	4.863
20	Edirne Kırklareli Tekirdağ	61.720	48	Adıyaman	11.613
21	İnegöl	36.119	49	Çukurova	28.484
22	Niğde-Nevşehir	45.426	50	Seydişehir-Çumra	16
23	K.Maraş	40.777	51	Antalya	0
24	Çanakkale	36.399	52	Siirt-Batman	4176
25	Gaziantep	23.663	53	Aydın	0
26	Yozgat	33.868	54	Havza-Vezirköprü-Bafra	0
27	Bandırma	24.970	55	Geyve-Alifuatpaşa-Pamukova	0
28	Uşak	24.606	TOTAL		2.268.478

Table 11: Figures As of the End of December 2011 in the Gasified Cities

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The total realized investments by the licensed distribution companies in their regions have exceeded 2.727.000.000 TL, the lenght of constructed polyethylene pipeline has exceeded 27.300 km and the lenght of steel pipeline has exceeded 3530 km. The number of subscribers of these companies are 2.268.000.

The investments amounts pertaining to the last 4 years of the companies operating before the Law No: 4646 and after the Law No:4646 are shown in the table hereunder. It can be seen form the table that the investment amount in 2011 increased when compared to the previous year.

Total investment amounts of the distribution companies pertaining to years 2008-2011			
	Distribution Companies Operating After Law No:4646	Distribution Companies Operating Before Law No:4646	Total
2008	1.200.000.000 TL	3.800.000.000 TL	5.000.000.000 TL
2009	1.500.000.000 TL	4.200.000.000 TL	5.700.000.000 TL
2010	1.800.000.000 TL	4.400.000.000 TL	6.200.000.000 TL
2011	2.700.000.000 TL	5.125.000.000 TL	7.825.000.000 TL

Table12: Total Investment Amounts of the Distribution Companies Pertaining to Years

Information on investnments on the basis of cities for the years 2002 – 2011 can be found from the link on our website <http://www2.epdk.org.tr/data/index.htm> .

Storage License

Storage is the activity of storing natural gas in the form of LNG or gas with an aim to meet the natural gas deficiency due to daily and seasonal changes and decrease or cease of supply.

The Regulation on the Principles and Procedures for Basic Use of LNG Storage Facilities was published in the Official Gazette dated 16.05.2009 and numbered 27230. Principles of Basic Use of LNG Storage Facilities consists of the general, technical and commercial rules compliant with the principles of non-discrimination, cost-effectiveness, secure and effective operation.In line with the princpsple of non-discrimination among the equal parties, de-loading of the LNG, storage, gasification, the features of the ship or the land tanker that can approach the facility and the procedures of approaching and departing of the ships or land tankers are included in the Principles and Procedures of Use.

The storage license holding companies and the data on storage are shown hereunder:

NAME OF COMAPNY	LICENSE PERIOD	STORAGE FACILITIES	STORAGE CAPACIT	SENDING CAPACITY	INJECTION CAPACITY	RE-GENERATION CAPACITY	SHIP DELOADING CAPACITY
BOTAŞ (LNG)	10 years starting form 04.04.2003	Marmara Ereğlisi/ Tekirdağ	255.000 m <sup>3</sup> LNG (85.000 m <sup>3</sup> x3)	936.045 m <sup>3</sup> /sa.	–	8,2 billion Sm <sup>3</sup> /year	10,900 m <sup>3</sup> LNG/hour
EGE GAZ A.Ş. (LNG)	30 years starting form 04.04.2003	Aliağa/ İzmir	280.000 m <sup>3</sup> LNG (140.000 m <sup>3</sup> x2)	685.000 m <sup>3</sup> /sa.	–	6 milyar Sm <sup>3</sup> /year	11,000 m <sup>3</sup> LNG/hour
TPAO (DOĞAL GAZ)	30 years starting from 8.04.2003	Silivri/ İstanbul	2.661.000.000 m <sup>3</sup>	–	16.000.000 m <sup>3</sup> /day (mak.)	20.000.000 m <sup>3</sup> /day (mak.)	–
BOTAŞ (DOĞAL GAZ)	30 years starting from 27.06.2007	Sultanhanı/ Aksaray	1.500.000.000 m <sup>3</sup>	–	30.000.000 m <sup>3</sup> /day	40.000.000 m <sup>3</sup> /day	–

Table 13: The Storage License Holding Companies and The Data on Storage Facilities

Transmission License

Transmission Network Operation Guidelines was approved by the Board Decision dated 17.08.2004 and numbered 356/20 and gained effectiveness on 01.09.2004. It was prepared by BOTAŞ, the sole transmission license holding company, to set forth the rights and liabilities of the parties related with natural gas transmission through transmission network. In the Network Operation Guidelines, general and detailed rules and principles regulating the rights and liabilities of the related parties regarding the transmission service such as system entry and capacity allocation, forwarding control and system balancing, notifications and programs, measuring, use of the transmission network, daily operational and maintenance needs.

As per the Natural Gas Transmission Network Operation Guidelines, amendments thereof can be made by Board Approval. Within that scope, there were some amendments to the Guidelines in the previous years with the Board Decisions dated 22.11.2007 and numbered 1384, dated 17.10.2008 and numbered 1809 and dated 03.12.2009 and numbered 2326. With the Board Decision dated 09.11.2010 and numbered 2869, it was decided to make amendments in the Guidelines once in a year. There were some amendments with the Board Decisions dated 12.04.2011 and numbered 3161 and dated 28.12.2011 and numbered 3617, and the Art.5 of the Network Operation Guidelines “No amendments can be made without Board approval” and Section 21 of the BOTAŞ NOG. With these last

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amendments flexibility was given to the market players about day-end trade regulated in the Art. 3.6.2 of the NOG.

2011 transmission investment amount invested by BOTAŞ, the sole transmission company of Turkey, is 129.806.000 TL.

### 2.2.2. Certification Procedures

The principles and procedures regarding the certificates to be granted to the real or legal persons engaged in internal installation and service lines and construction and service activities in the natural gas market are set forth in the Natural Gas Market Certificate Regulation.

Certificate stands for permission granted by the Authority showing the capability of the real or legal persons serving the legal persons operating in the natural gas market in the fields of design, construction, revision, maintenance, repair, consultancy, etc. regarding the facilities to be placed in the system.

Certificates are granted for at least ten and at most thirty years. Certificates are also subject to visa procedure. Certificate holders not having visa may not continue its activities until getting a visa. The visa period is 3 years for construction and service certificate and 1 year for internal installation and service lines certificate starting from the validity date.

Any construction and service activity related with natural gas may not be performed by persons not holding certificates. The ones who will deal with the services related with the system such as feasibility, preliminary study, project, consultancy, control and audit, construction, service, maintenance and repair are obliged to get a certificate form the Authority.

Following the issuance of each certificate, a separate registry file shall be opened for the relevant certificate holder and registry records shall be kept in accordance with the provisions of the relevant legislation. The real and legal

persons granted construction and service certificate are published in the web site of the Authority, and the ones granted internal installation and service lines certificate are published in the web site of the distribution company granting the certificate.

In 2011 our Authority;

- Granted 64 construction and service certificates. The total number of certificates granted by EMRA has reached 1.213 as of the end of 2011.
- 26 certificates were modified upon the request of the certificate holders.
- Visa procedures of 48 construction and service certificates were made.
- 2 construction and service certificates were terminated upon the request of the holders.

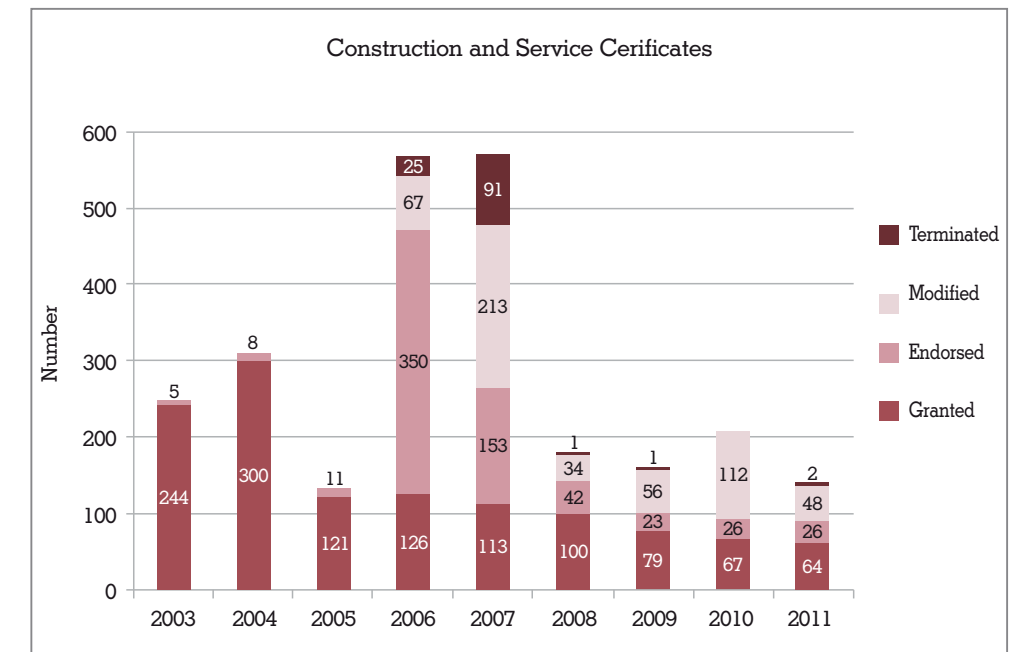


Diagram 2: Construction and Service Certificates Granted, Modified, Terminated Between The Years 2003-2011

### 2.3. Petroleum Market Licensing Activities

#### 2.3.1. License Procedures

It is obligatory to get a license to perform the activities related with petroleum market such as; refining, processing, lube oil production, storage, transmission, eligible consumer and bunker activities and establishing and/or operating facilities with this purpose, liquid fuel distribution, transport and vendor activities. The principles and procedures of such licenses are set forth in the Petroleum Market Licensing Regulation.

The types of licenses granted by the Authority according to the field of activity are; Refining Undertaking License, Processing License, Lubricant License, Storage License, Transmission License, Eligible Consumer License, Bunker Delivery License, Distributor License, Transport License, Vendorship License.

Within the scope of the aforementioned license types the licensing processes of persons operating in the market have been completed. The transactions such as granting new licenses, extension, renewal, cancellation of the current licenses are continuing.

The number of valid licenses as of the end of 2011 is 13538 and the dispersion of the same according to the type of activity is as follows;



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Dispersion of the Licenses According to the type of Activity

Type of License	No of Licenses as of the end of 2011
Distributor License	12.900
Storage License	310
Bunker Delivery License	96
Transmission License	102
Processing License	71
Lubricant License	55
Refining Undertaking License	50
Eligible Consumer License	37
Vendorship License	26
Transport License (sea-borne)	6
Transport License (railway)	6
<b>Total</b>	<b>13.659</b>

Table 14: Dispersion of the Licenses According to the Type of Activity

The number of licenses in force as of the end of 2011 is 12.900. 1450 of these licenses 1389 of which is with stations and 61 of which is without stations were granted in 2011.

There were 3.030 modification processes on vendorship licenses. (change of distributor, change of title, change of address, etc.)

As of the end of 2011 lubricant production capacity was 5.163.046 tonnes/year. Total biodiesel processing production capacity was 1561.217 m<sup>3</sup>.

### 2.4. LPG Market Licensing Activities

The activities to be performed within the scope of LPG Licenses and the liabilities of the license holders are set forth in the Liquefied Petroleum Gases (LPG) Market License Regulation.

Types of licenses granted by the Authority in the LPG market are; LPG Distributor License, LPG Transport License, LPG

Dispersion of the Terminated/Cancelled Licenses According to the Type of Activity

Type of License	Number of Terminated/Cancelled Licenses
Vendorship License	697
Lubricant License	25
Transport License (sea-borne)	50
Storage License	6
Bunker Delivery License	3
Eligible Consumer License	20
Distributor License	9
Processing License	10
Transmission License	-
Refining Undertaking License	-
Transport License (railway)	1
<b>Total</b>	<b>821</b>

Table 15: 2 Dispersion of the Terminated/Cancelled Licenses in 2011 According to the Type of Activity

Storage License, LPG Auto Gas Vendorship License, LPG Tube Production License.

The dispersion of the licenses granted in 2011 in the LPG market are as follows;

Type of License	Number of Licenses
LPG Distribution License	7
LPG Storage License	3
LPG Transport License (3 land, 4 Seaborne, 4 Pipe line)	11
LPG Tube Control,Repair and Maintenance License	4
LPG Auto gas Vendorship License	1.242
<b>Total</b>	<b>1.267</b>

Table 16: Dispersion of the Licenses According to the Type of Activity Granted in 2011

The dispersion of the licenses cancelled in 2011 are as follows;

Type of License	Number of Cancelled Licenses
LPG Distribution License	1
LPG Storage License	5
LPG Land Transport License	8
LPG Seaborne Transport License	1
LPG Tube Control,Repair and Maintenance License	3
LPG Auto gas Vendorship License (Transfer, Devir, certificate cancellation, etc. v.b.)	633
<b>Total:</b>	<b>651</b>

Table 17: Dispersion of the Cancelled Licenses in 2011

The process of taking into evaluation of the new license applications is continuing. The dispersion of the licenses in LPG market as of the end of 31.12.2011 is as follows:

Type of License	Number of Valid Licenses
LPG Distribution License	71
LPG Storage License	78
LPG Transport License (Seaborne 6, Land 14, Pipeline 25)	45
LPG Tube Production License	10
LPG Tube Control,Repair and Maintenance License	116
LPG Autogas vendorship License	9.419
<b>Total:</b>	<b>9.739</b>

Table 18: Dispersion of the Licenses in LPG Market According to the Type of Activity

Dispersion of the license modifications in 2011 are as follows:

Type of Modified License	Number of modification
LPG Distributor License	27
LPG Storage License	5
LPG Distributor License (Transport-Land)	101
LPG Land Transport License	59
LPG Seaborne transport License	1
LPG Pipeline Transport License	3
LPG Tube Production License	2
LPG Tube Control, Repair and Maintenance Licenseakım License	3
LPG Autogas Vendorship License 75 A Title(2 error in fact) 36 change in address 63 amendment in opening a business and working certificate	948
<b>Total</b>	<b>1.149</b>

Table 19: Dispersion of the Modified Licenses in 2011

In 2011, 1.149 license modifications were made. In addition, in 2011 1 LPG Land Transport License and 1 LPG Seaborne Transport License were extended.

## 3.PRICE FORMATION AND TARIFICATION

### 3.1. Electricity Market Tariffs

The principles and procedures to be applied in preparation, examination, evaluation, amendment and approval of the tariffs subject to approval in the electricity market are set forth in the Electricity Market Tariffs Regulation.

## Part II Information on Activities

### 3.1.1. Wholesale Tariff

The improvements in the wholesale tariffs to be applied by TETAŞ are as follows;

TETAŞ WHOLESALE TARIFF		
Date and Number of Board Decision	Date of Effectiveness	krş/kWh
16.03.2011 - 3126	01.04.2011	12,40
30.06.2011 - 3299	01.07.2011	13,86
29.09.2011 - 3442	01.10.2011	16,55
28.12..2011 - 3605	01.01.2012	16,71

Table 20: TETAŞ Wholesale Tariff

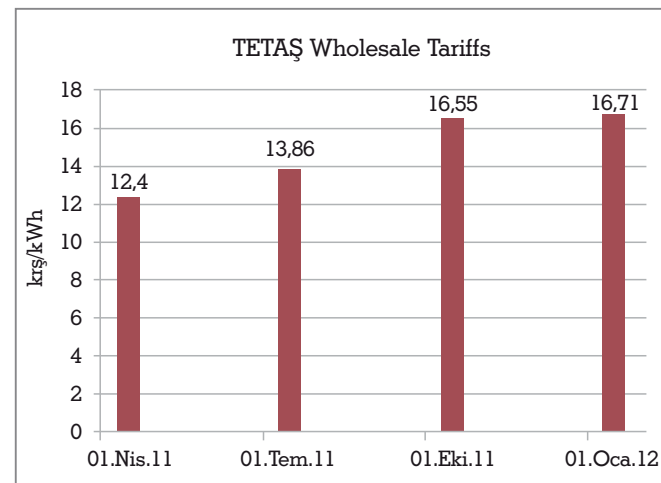


Diagram 3: TETAŞ Wholesale Tariff in 2011

### 3.1.1. Turkish Average Electricity Wholesale Price

With the Board Decision dated 20.12.2011 and numbered 3562;

a) a)Within the scope of the Law on the Utilisation of the Renewable Energy Resources for the Purposes of Electricity Generation No:5346, it was decided to take 12,39 Krş/kWh as the Turkish average electricity wholesale price to be valid for 2012,

b) a)Within the scope of the Electricity Market Law No:4628 it was decided to take the day-ahead price for each related hour as the Turkish average electricity wholesale price in the purchases of the retail sale license holding distribution companies from the generation companies they own or are affiliated with.

### 3.1.2. Distribution Tariff

As per the Principles and Procedures for Cost Based Pricing Mechanism to be implemented by Energy SEEs, the implementation of determining the retail sale tariffs in 3 months periods taking into consideration the distribution companies' power purchase costs continued in 2011.

The tariffs and changes in years according to the subscriber groups are given hereunder:

Subscriber Groups	Tariffs applied as of 01.10.2009	Tariffs applied as of 01.01.2010	Tariffs applied as of 01.01.2011	Tariffs applied as of 01.01.2012
Industry	19,28	19,52	19,52	21,48
Commercial	25,02	25,24	25,24	25,39
Household	21,38	21,66	21,66	23,73
Agricultural Irrigation	18,40	18,62	18,62	20,67

Table 21: Tariffs as per Subscriber Groups

\* Tariffs without fund and tax of the low voltage, single termed, single time distribution system users.

\*\* Retail service cost regarding the meter reading is not included in 2012 tariffs.

It was decided that the retail service cost regarding the meter reading which was accrued together with energy with the tariff tables approved by the board Decision dated 28.12.2011 and numbered 3612, shall be implemented on each reading as of 2012.

In addition, with the Board Decisions

- dated 15.12.2011 and numbered 3551-1, the security deposits to be applicable as of 01.01.2012,
- dated 15.12.2011 and numbered 3551-3, the cutting-connecting costs to be applicable as of 01.01.2012,
- dated 15.12.2011 and numbered 3550, meter dismantling-attaching costs to be applicable as of 01.01.2012
- dated 28.12.2011 and numbered 3613, application cost to be collected by the distribution licensees for 2012 and the yearly operation cost to be collected by the retail licensees in return of the works and procedures conducted for the exempted generators within the scope of the 3rd paragraph of the Art.30 of the Regulation on Exempted Generation in the Electricity Market,

were adopted.

On the other hand,

- With the Amending Regulation to the Electricity Market Tariffs Regulation, Provisional Art. 11 of the Electricity Market Tariffs Regulation was repealed.

With the Board Decisions dated 24.02.1011 and 28.12.2011 amendments were twice within the year in the Principles and Procedures regarding the Tariff Implementations for 21 Distribution Companies.

### 3.1.3. Transmission Activity

With the Board Decision dated 31.03.2011 and numbered 3148 the third implementation period of the Turkish Electricity Transmission Co.Inc. (TEİAŞ) was approved as 3 years starting from 01.01.2012 and ending on 31.12.2014.

Regarding the related period;

- Revenue requirements pertaining to the third implementation period were approved by the Board Decision dated 23.11.2011 and numbered 3513,
- Revenue caps for 2012 to which the income differential correction component of 2010 was reflected were approved by the Board Decision dated 23.11.2011 and numbered 3514.

Within the scope of these decisions, with the Board Decision

dated 22.12.2011 and numbered 3575, method notifications including the 2012 transmission tariffs and the principles and procedures regarding the implementation of these tariffs were approved to be effective as of 01.01.2012.

In addition, regarding the revenue regulations of TEİAŞ on activity basis, amendments in the communiqués regulating the transmission system, transmission system operation and market operation revenues were published in the Official Gazette dated 19 November 2011 and numbered 28117.3

**3.1.4. Primary Frequency Control Unit Service Cost**

As per the Article 14 of the Electricity Market Ancillary Services Regulation, Primary Frequency Control Unit Service Cost is approved by our Authority. The approved unit costs are as follows;

PRIMARY FREQUENCY CONTROL UNIT SERVICE COST		
Date and number of Board Decision	Date of Effectiveness	krş/kWh
10.03.2011 - 3113	01.04.2011	5,39
02.06.2011 - 3252	01.07.2011	27,76
18.08.2011 - 3387	01.10.2011	1,73
08.12.2011 - 3532	01.01.2012	7,02

Table 22: Primary Frequency Service Unit Costs in 2011

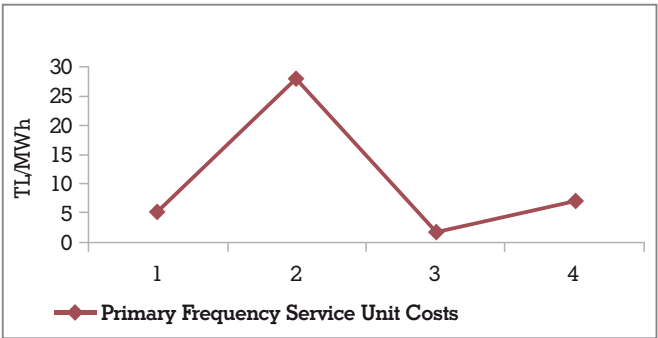


Diagram 4: Primary Frequency Service Unit Costs in 2011

**3.1.5. OIZ Distribution Fee**

Our Authority has approved the distribution fees to be applied by the 135 licensed OIZs in 2012 within their approved regions. These licensed OIZs are liable to send in their distribution fee offers until 31 October, the set date by the legislation.

OIZs may submit their distribution cost offers as medium voltage, low voltage, nominal and binominal as per the "Regulation on the Electricity Market Activities of OIZs". The evaluation of distribution costs are made by "benchmarking model" taking into consideration the unit energy cost forecasts, investment costs, operational costs, loss energy costs of the OIZs and the distribution tariff provisions for their distribution region.

Within the process of approving the 2012 distribution costs, the distribution costs of the OIZs were determined taking into consideration of the financial tables submitted to the Authority on a first come first serve basis. It was ensured that the OIZs whose distribution fee offers increase due to the amortization foreseen trough tariffs use amortization periods to reduce their offers. The other offers are taken to reasonable levels through the model of benchmarking.

The average of the distribution fees offered for 2011 in 2010 was 1,39 krş/IWh and the weighted average was 1,22 krş/kWh. The average of the distribution fees offered for 2012 in 2011 was 1,53 krş/kWh, the average of approved fees 1,36 krş/kWh and the weighted average was 1,21 krş/kWh.

**3.1.6. Balancing and Settlement Implementations**

Final Balancing and Settlement Regulation (F-BSR), replacing the Electricity Market Balancing and Settlement Regulation (T-BSR) being implemented as of August 2006, was published in the Official Gazette dated 14.04.2009 and numbered 27200 and actual implemetation started on 01.12.2009 following the virtual implemetation.

In the F-BSR, it is envisaged that the balancing market is comprised of two sub-markets as day-ahead and real-time. By this way, balancing of the electricity market is done to a great extent in the day-ahead market as expected, balancing power market is operated for the imbalances that can be formed within the day. Financial reconciliation of these two sub-markets are kept seperately. Day-ahead planning (DAP) is the market which enables the parties to supply the electricity demands that can not be met through bilateral aggrements by making sale/purchase in the day ahead. The hourly prices used in the reconciliation of the DAP are determined according to the principle of marginal pricing

and named as the System day-ahead price (SDAP) of the related hour.

The stage of DAP terminated as of 01.12.2011 and the last stage which is Day-ahead market is started. In the new market model, marginal pricing which is calculated on hourly basis is used as is the case in the previous model. In the new market model, the price of the related hour is named as Final Market Barter Price (FMBP).

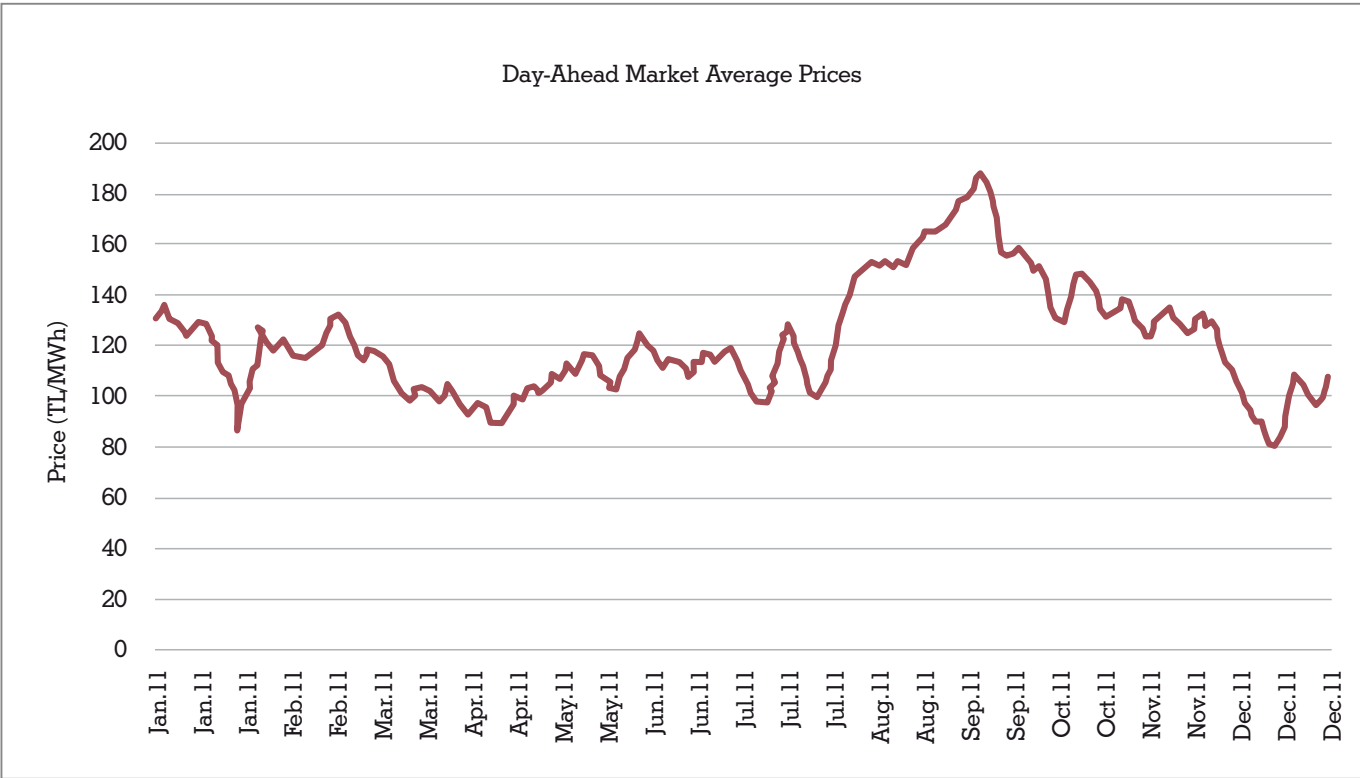


Diagram 5: Day-Ahead Market Average Prices

## Part II Information on Activities

Diagram 6: Balancing Power Market Average Prices



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3.2.2. Connection Tariffs

With the Board Decision dated 28.12.2011 and numbered 3603 connection tariffs of the distribution companies were determined. Table regarding the former Board Decision and changes is as follows

	CONNECTION TARIFFS (Board Decision No: 2961 )	CONNECTION TARIFFS (Board Decision No: 3603)
The upper limit for subscriber connection fee including the meter to be applied to the consumers using natural gas for house and heating purposes. For the first independent section number	280 TL	315 TL
Subscriber connection fee for every additional 100 m <sup>2</sup>	Additional 234 TL	Additional 260 TL
The fee for changing the current mechanical meter withthe pre-paid model of meter by the distribution company upon the written demand of the subscribers as per the Art. 40 of the Natural Gas Market Distribution and Customer Services Regulation.	109 TL	122 TL
The fee to be collected from the subscriber by the distribution company in case the subscribers, who will use the natural gas with the aim of production of goods and services,have the certified person make the connection.	Shall not exceed 234 TL for the first 100 meters of connection, shall nor exceed 1,6 TL for ecah additional meter.	Shall nor exceed 260 TL for the first 100 metres of connection, shall not exceed 1,7 TL for each additional meter.
Upper limits of security deposits	250 TL/piece for combi boiler, 250 TL/house for heating stove, 250 TL x BBS for central heating system, 61 TL for oven and/or geyser	287 TL/piece for combi boiler, 287 TL/house for heating stove, 287 TL x BBS for central heating system, 70 TL for oven and/or geyser
Upper limit for meter switch on-off,	19 TL	21 TL

Table 25: Connection Traiffs for the distribution companies determined by EMRA

3.2.3. Transmission Tariffs

Tariffs for transmission and forwarding determined for 2011-2013 by the Board Decision dated 28.12.2010 and numbered 2970 are continuing to be applied. The fees determined in the tariff and the updated fees for 2012 are shown hereunder:

	TRANSMISSION TARIFFS (BOARD DECISION NO:2970)	TRANSMISSION TARIFFS (2012-Updated by PPI)
Entry 1 – capacity fee (TL/m <sup>3</sup> /Day)	0,000314	0,000357
Entry 2 – capacity fee (TL/m <sup>3</sup> /Day)	0,000313	0,000356
Entry 3 – capacity fee (TL/m <sup>3</sup> /Day)	0,000157	0,000178
Entry 4 – capacity fee (TL/m <sup>3</sup> /Day)	0,000476	0,000541
Entry 5 - capacity fee (TL/m <sup>3</sup> /Day)	0,000339	0,000385
Entry 6 - capacity fee (TL/m <sup>3</sup> /Day)	0,000252	0,000286
Entry 7 - capacity fee (TL/m <sup>3</sup> /Day)	0,000171	0,000194
Entry 8 - capacity fee (TL/m <sup>3</sup> /Day)	0,000522	0,000593
Entry 9 - capacity fee (TL/m <sup>3</sup> /Day)	0,000522	0,000593
Exit - capacity fee (TL/m <sup>3</sup> /Day)	0,005056	0,005747
Export exit - capacity fee (TL/m <sup>3</sup> /Day)	0,045088	0,051252
Transmission Service Cost (TL/m <sup>3</sup> )	0,015868	0,018037
Tariff period	3 Yıl	3 Yıl

Table 26: The Fees Determined In The Tariff and The Updated Fees For 2012

3.2.4. Storage Tariffs

The implementation of storage tariffs determined by the Board Decision dated 18.08.2010 and numbered 2699 is continuing. The costs determined in the tariffs and the updated costs according to the chages in PPI are shown in the table hereunder:

	STORAGE TARIFFS AUGUST 2010	STORAGE TARIFFS JANUARY 2012
Capacity Cost (TL/m <sup>3</sup> )	0,022913	0,026672
Storage Cost (TL/m <sup>3</sup> )	0,000881	0,001026
Dispatch Cost (TL/m <sup>3</sup> )	0,004910	0,005716

Tablo 27: The Fees Determined In The Storage Tariff and The Updated Fees For 2012

3.2.5. Wholesale Tariffs

Wholesale tariffs were determined by the Board Decision dated 22.12.2011 and numbered 3577. It is determined that the natural gas wholesale prices are freely determined among the parties until a new regulation is made in this issue by Board Decision.

3.2.6. Retail Tariffs

Following the enactment of the “Amending Regulation to the Natural Gas Market Tariffs Regulation” published in the Official Gazette dated 16.12.2010 and numbered 27778, studies on tariff implementation period, redemption period of the investments and real rational revenue rate have been concluded. With the Board Decisions dated 05.10.2011 numbered 3445-1, 3445-2 and 3445-3 the first implementation was determined to cover the dates of 01.01.2012-31.12.2016, redemption period determined to



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be 22 years, real and before tax real rational revenue rate determined to be 11,83%. Similarly, as per the new regulation, within the scope of the studies of determining the distribution tariffs, principles and procedures regulating the tendered natural gas distribution companies' asset base and principles and procedures for tariff calculation were decided on with the Board Decison dated 22.12.2011 and numbered 3779, 3580. Following the approval of the tariff methodology by the Board, 2001 Base Year Asset Basis of the Adapazarı Gas Distribution Co.Inc. and Bahçeşehir Gas Distribution Co.Inc. determined as per the 7th clause of the Art.6 of related Board Decision, were published in the Official Gazette dated 31.12.2011 and numbered 28159.

### 3.3. Petroleum Market Tariffs

Pursuant to the taking effect of the Petroleum Market Law No: 5015, free price principle was started to be applied as of 01.01.2005.It was accepted that the prices for petroleum trade shall be formed by considering the nearest attainable world free market conditions. For the domestic crude oil, the “market price” formed in the nearest port or refinery as the delivery point was accepted as the price

The tariffs in the Petroleum Market can be considered in four categories according to the process they are subject to; namely;

**Tariffs Subject to Approval:** Are the transmission tariffs for the transmission activity performed within the scope of transmission license and the tariffs for licensed storage activities in the storage facilities connected to the transmission lines.

**Tariffs Subject to Notification:** Are the tariffs for licensed storage activities not connected to the processing and transmission lines and the changes in the price cap tariffs of the refining undertakings and distributors. Such tariffs are applied after being notified to the Authority.

**Price Announcement:** Are the prices announced as the liquid fuel price caps at the boards visibly placed in the liquid fuel stations by the vendors and which don't require approval and notification.

**Price List:** Is the changes in the price lists notified to the Authority regarding the products within the scope of the processing license holders.

The database for electronic notification and monitoring of the liquid fuel tank prices of the distributors and the prices they suggest to the vendors or the ceiling prices they determine on behalf of the vendors has been established. The database is updated by the electronic notifications of the distribution companies. After compiling the database the vendor prices and Public Procurement Authority index are announced to the public. As a result of the data gathered, ceiling prices of vendors as per cities and İstanbul Euroopan Side average liquid fuel prices of 8 companies with the highest transaction volume to be used in liquid fuel price difference calculations within the scope of Public Procurement Legislation are announced to the public.

As per the Article 10 of the Law no:5015, the refining undertakings and distributors shall notify the Authority of the prices of their activities as price caps taking into consideration the price formations in the attainable world free markets.

Within the scope of the Law No: 5015; the pricing implementations of the refining undertaking license holder TUPRAŞ and the distribution license holders whose total market shares equals to 90% of the market are scrutinized within the framework of;

- Price formation,
- Liquid fuel prices in our country,
- Change in these prices by years,

- Change in Turkish distribution and vendor shares,
- Reflecting the price movements to the consumers,
- Benchmarking with the prices formed in the closest accessible world free markets and EU and Turkey.

Within the scope of the Petroleum Market Information System Regulation management of price related sections of information system is made, price notification are followed, the price notification points of the companies are defined and changes through the system.

Through the information system, not only the domestic prices are monitored but also the foreign price movements are followed up within the scope of Platts subscription the prices and FOB and CIF prices of products such as crude oil (brent dated) and benzene, diesel, fuel oil types, kerosene, jet fuel and liquid fuel prices with and without tax in the EU member states are monitored. The data gathered are used in reports and analysis to monitor the price movements of the distributor and refining undertaking license holders within the scope of the closest attainable free market price formation.

### 3.4. Prices in the LPG Market

Within the scope of the Liquefied Petroleum Gases Market Law No: 5307, the prices for the sale and purchase of LPG are formed according to the attainable world free market conditions. As per the Law the refining undertakings and distributors shall notify the Authority of the prices of their activities as price caps taking into consideration the price formations in the attainable world free markets.

Within that scope, the developments in the domestic LPG prices are regularly monitored taking into consideration the price cap notifications of the refining undertakings and distributors. In addition to the regularly made notifications, comprehensive studies were made on autogas prices. The prices in our country were benchmarked with the ones in EU

countries especially in Italy, Spain and France, other necessary parameters regarding the market were taken into consideration. Besides, the Authority continuously examines the market.

## 4. MARKET MONITORING AND SURVEILLANCE

### 4.1. Electricity Market Monitoring and Surveillance Activities

Formation of a competitive liberal market in the electricity power sector necessitates a transition period.“Electricity Power Market and Supply Security Strategy Paper” which defines the needs of the transition period, the privatization program and the way to establish the targeted market structure in the electricity sector and determines the steps to be taken to ensure supply security and the targets regarding the resources to be used in electricity supply in medium and long term, was adopted by the decision of the High Planning Council dated 18.05.2009 and numbered 2009/11 and was published in the web site of the Ministry of Energy and Natural Resources.

#### 4.1.1. Electricity Generation-Consumption

According to the actual values, the total electricity power generation in Turkey in 2011 was 228,4 billion kWh; and the domestic electricity power demand was 229,3 billion kWh. The demand for 2011 increased 9,0% when compared to 2010

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	Unit	2009	2010	2009-2010 % Change	2011	2010-2011 % Change
Installed capacity	MW	44761	49524	10,64%	53.235	7,5%
Generation	GWh	194813	211208	8,42%	228.431	8,2%
Import	GWh	812	1144	40,89%	4.747	315,0%
Export	GWh	1546	1918	24,06%	3.833	99,8%
Consumption	GWh	194079	210434	8,43%	229.344	9,0%

Table 28: Electricity Generation-Consumption

In 2011 electricity power import increased by 315% and export increased by 99.8% when compared to the previous year. The rate of electricity power export to electricity generation was 1,67% and the rate electricity export to gross demand was 2%. The 2011 overview of electricity power is shown in the table hereunder;

Months	Generation (GWh)	Import (GWh)	Export (GWh)	Consumption (GWh)
January	19.511	354	234	19.632
February	17.678	362	222	17.818
March	19.151	319	196	19.274
April	17.740	332	202	17.870
May	17.514	323	222	17.615
June	17.963	253	299	17.917
July	20.876	531	409	20.999
August	20.430	562	380	20.612
September	18.844	445	358	18.932
October	18.708	426	392	18.742
November	18.969	410	452	18.928
December	21.045	429	469	21.005
Total	228.431	4.747	3.833	229.344

Table 29: Overview of 2011 Electricity Power

When the consumption data is examined on monthly and 12 months' moving average, the narrowing in the gross electricity demand was completely ended as of 2010 and there was a sharp rise in the compsumtion especially in the first and last quarters of 2011 when compared to the previous year. On the other hand, the highest consumption was realized in December, July and August respectively.

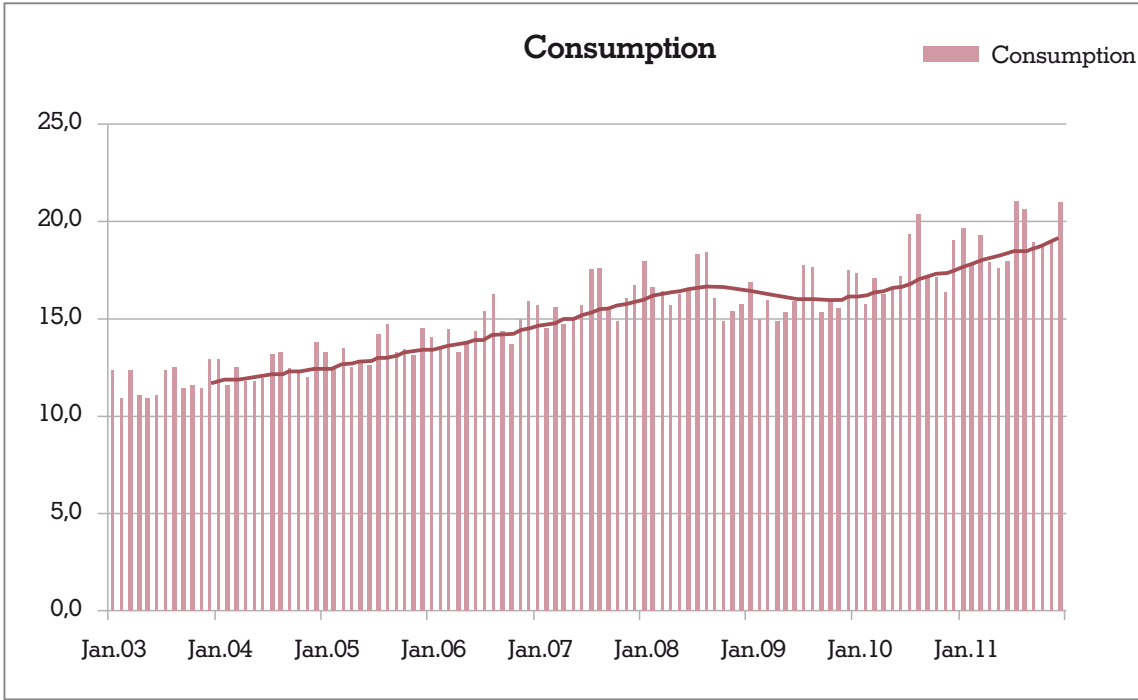


Diagram 7: Electricity Consumption (TWh)

The electricity power yearly net demand acceleration, which was 8,5% in 1990s, decreased to 5,1% in 2000s with the impact of economic crisis. In the graphic below, the yearly increase rates of yearly net electricity power demand and peak power demand from 1980 to 2009 is shown. When we exclude 2001 and 2009 when the impacts of crisis were most felt, the average net electricity power demand acceleration is calculated as 7,18% pertaining to 2000s.

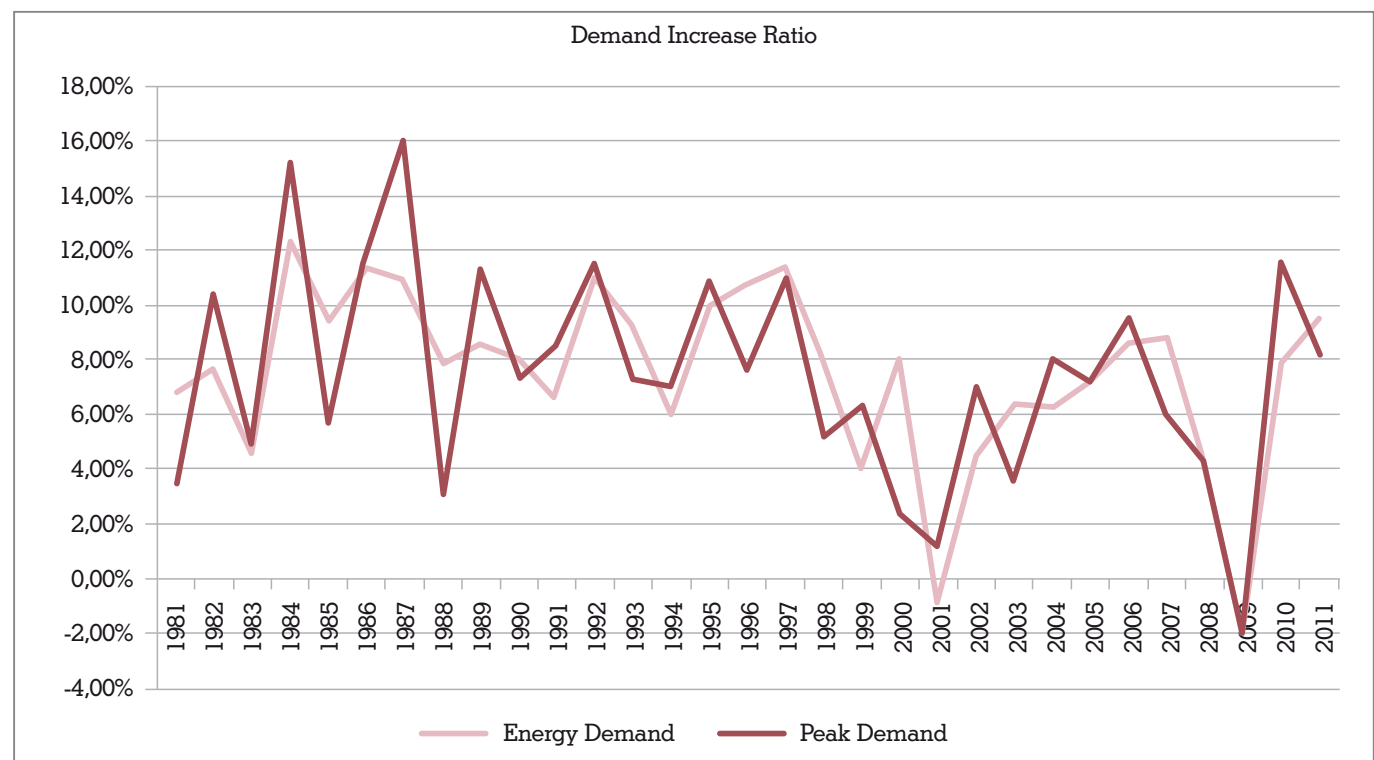


Diagram 8: Demand Increase Ratio According to Years

Peak demand increased by 8,18% whereas gross electricity demand increased by 9,5%. The peak demand of 2011 was recorded to be 36.122 MW on 28 July Thursday at 14:30; the lowest load demand was recorded to be 20.241 MW on 6 October Tuesday (1st day of Ramadan) at 18:30. Within that framework, 705,5 million kWh of electricity was consumed on 28 August 2011, 379,1 million kWh of electricity was consumed on 6 October. These figures correspond to an increase of 4,4% and 12,2% respectively when compared to the previous year.

In 2011 26% of the total electricity generation of Turkey are made from the generation facilities with existing contracts and 38% from the state owned generation facilities. The

contribution of private sector generation facilities in 2011 can be listed as follows;

- Private sector generation company power stations %27,
- Power stations within the scope of build-operate model %20,
- Autoproducer power stations %5,
- Power stations within the scope of build-operate-transfer model %6,
- Power stations within the scope of transfer of operational rights model %2

Generators	Generation (GWh)
EÜAŞ	73.509
Generation Companies	62.077
Build-Operate	44.938
EÜAŞ Affiliates	18.823
Build-Operate-Transfer	12.810
Autoproducers	11.708
Transfer of Operational Right	4.566
Total	228.432

Tablo 30: 2011 Electricity Generation Amounts of the Generators (GWh)

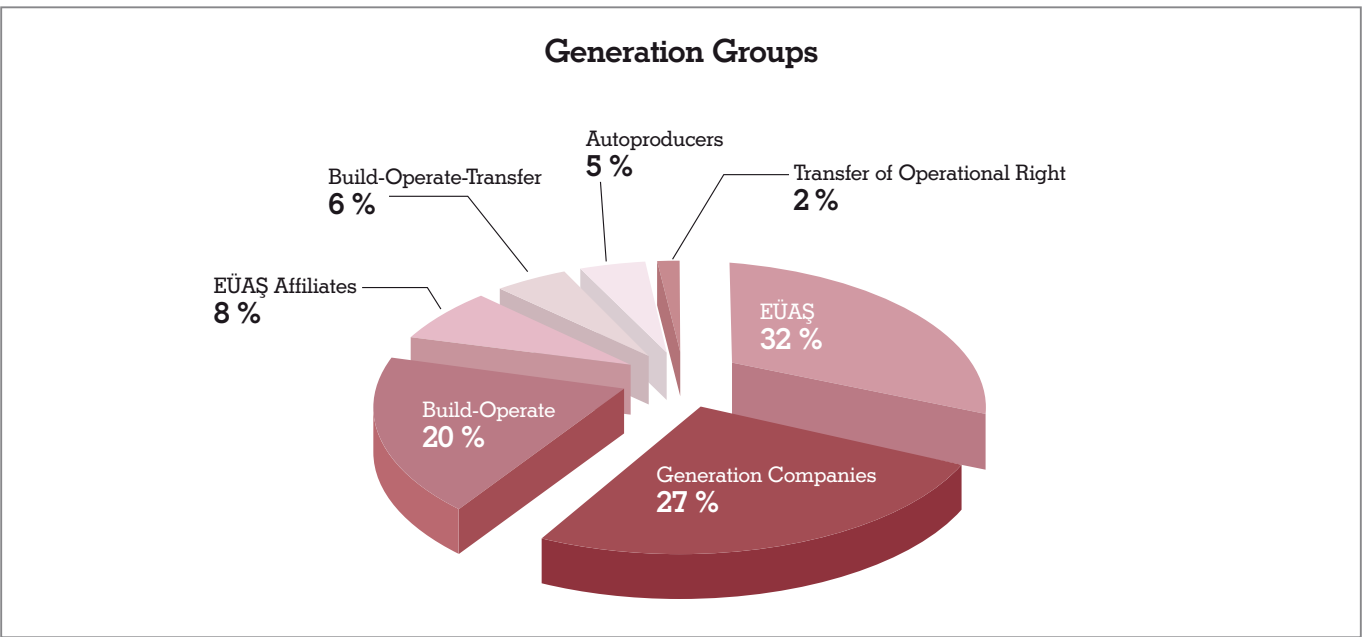


Diagram 9: 2011 Electricity generation Percentages of Generation Groups

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When the statistics for 2004-2011 are examined, it can be seen that the contributions of the generator groups to the Turkish electricity generations differs depending on the seasonal changes, there has been a decrease of 12,7% in the shares of the power stations operating within the scope of the existing contracts whereas there has been an increase of

16,5% in the shares of private sector generation companies and autoproducers. Thus, the share of state owned power stations decreased by 3,7%. It can be seen from the diagram below that the share of free generation shows a tendency to increase in years.

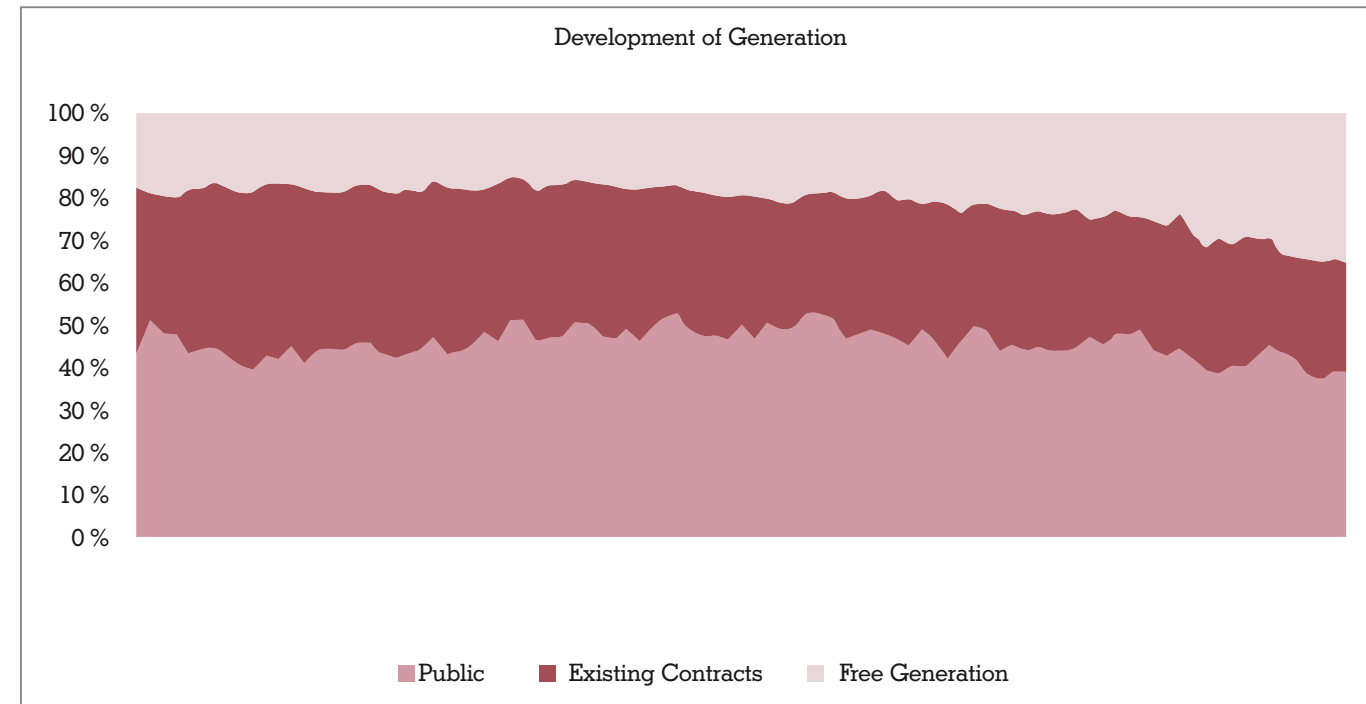


Diagram 10: Development of Generation According to Public and Private Sector Entities

In 2011, 44,7% of the electricity generation was from natural gas, 22,8% from hydroic resources, 16,9% from lignite, 10% from imported coal, 1,5% from fuel oil, 2,1% from wind and 1,97% from other sources.

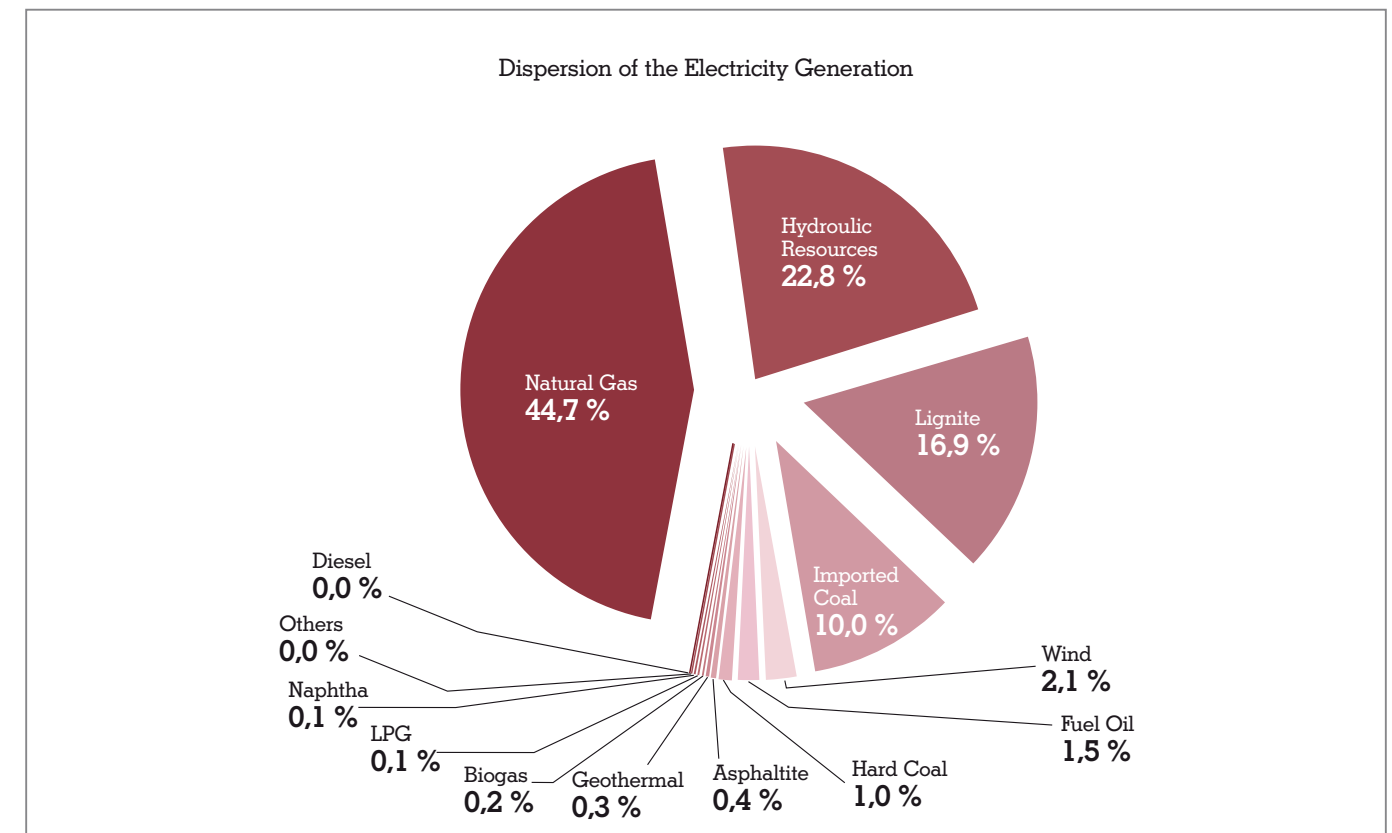


Diagram 11: 2011 Dispersion of the Electricity Generation According to Sources



Between the years 2004-2011, the share of natural gas and coal based electricity generation increased, whereas the share of renewable and petroleum products based electricity generation decreased.

56,5% of the electricity generation in 2011 was made through imported sources. The increase in the use of domestic sources in 2010 stems from the increase in hydroelectricity generation and the decrease in the natural

gas based generation. The rate of imported sources in the electricity generation in 2010 was recorded as 55,3% and there was a small increase when compared to 2011. This was the effect of the increase in the share of imported coal.

When the 12 months' averages for water revenues are examined, in 2003-2009 there has been a gradual decrease and in 2010 the level in 2003 was reached. In 2011 there was a decrease.

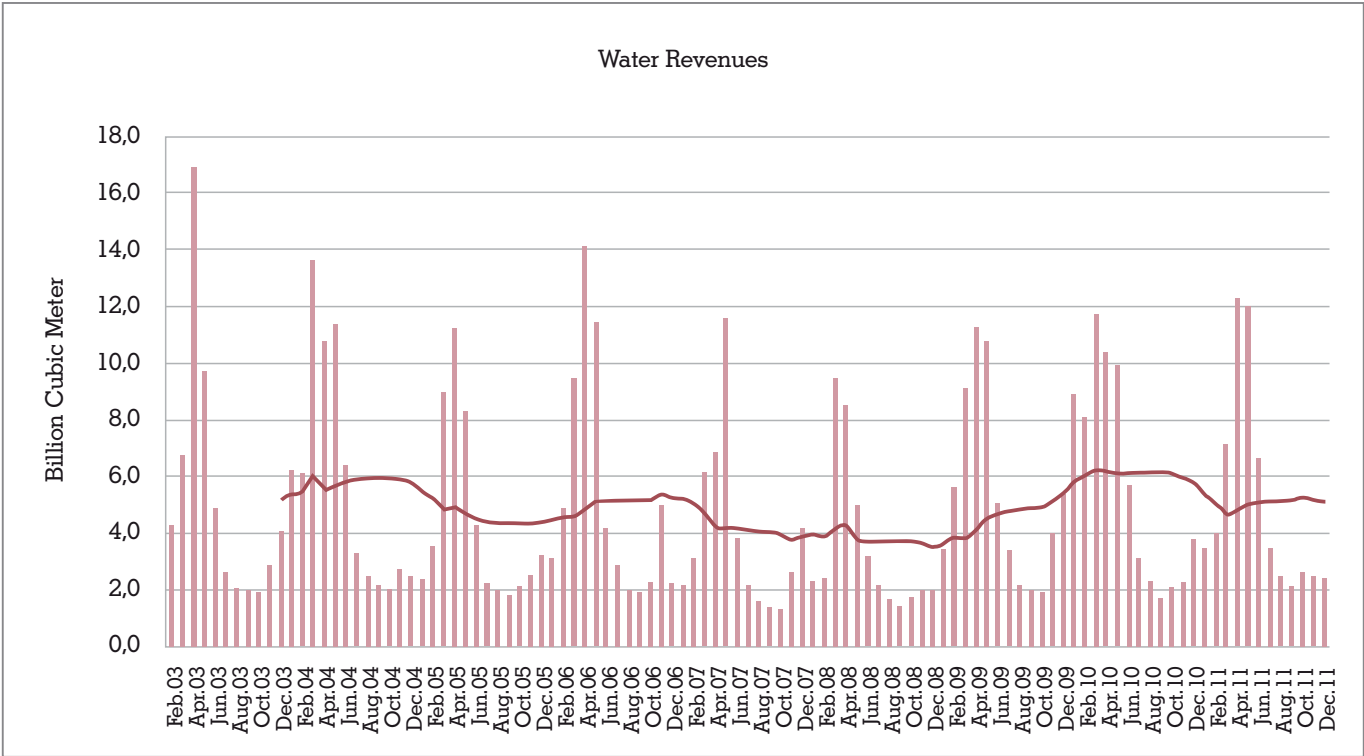


Diagram 12: Water Revenues

#### 4.1.2. Market Volumes and Participants

The dispersion of power traded in the electricity market is shown hereunder. As seen from the graph, nearly 90% of the power are sold through bilateral agreements. The amount of

energy traded in the day-ahead market changes between 3% and 7%. The ratio of balanced power in the balancing power market changes around 2% and 4%.

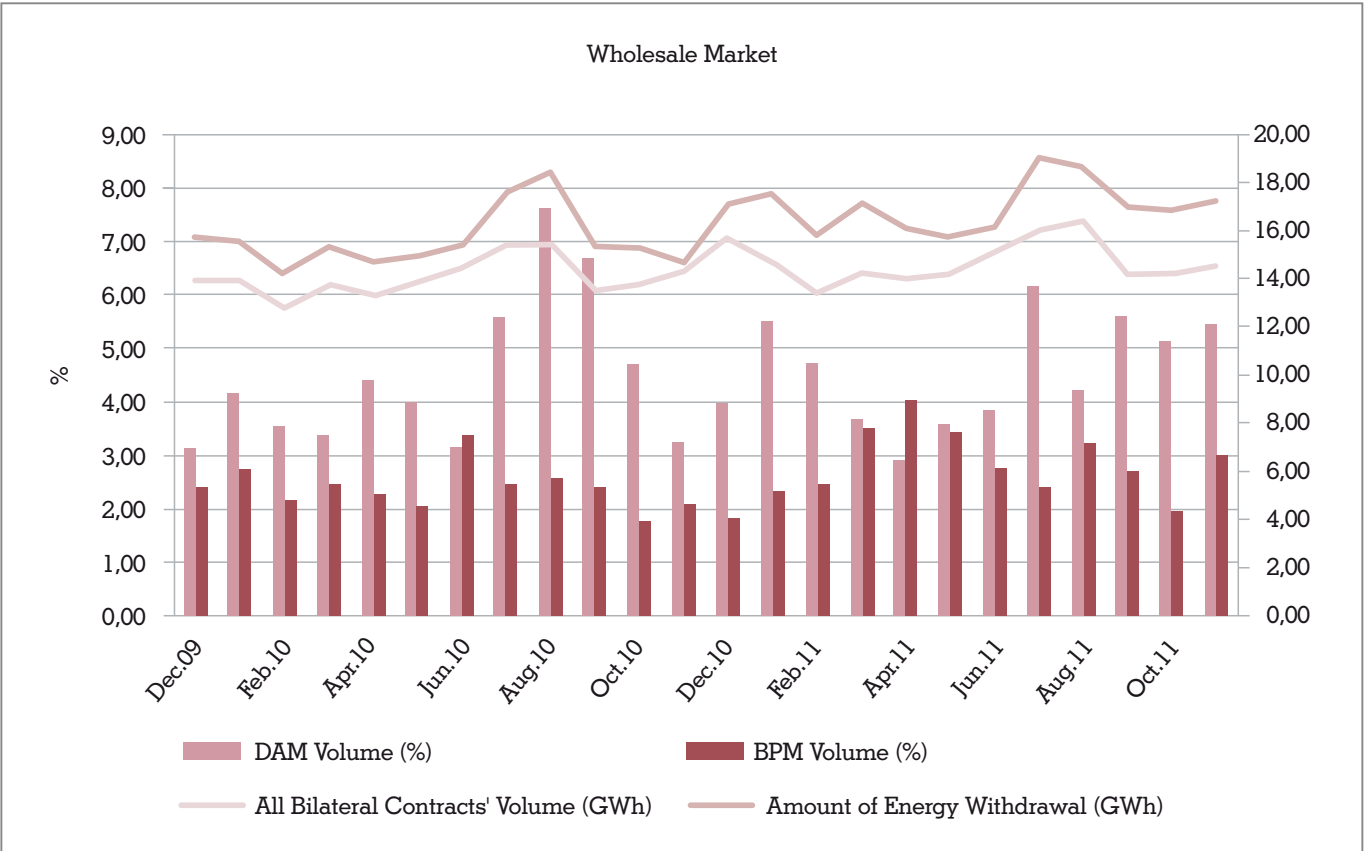


Diagram 13: Development of Wholesale Market Volume

## Part II Information on Activities

The participants registered in Market Financial Reconciliation Center (MFRC) increased. As of December 2011 the number of generators was 256, autoproducers was 125, wholesale companies was 122, retail companies was

21 and autoproducer groups was 2. The number of generators and wholesale companies increased, whereas the number of autoproducers decreased.

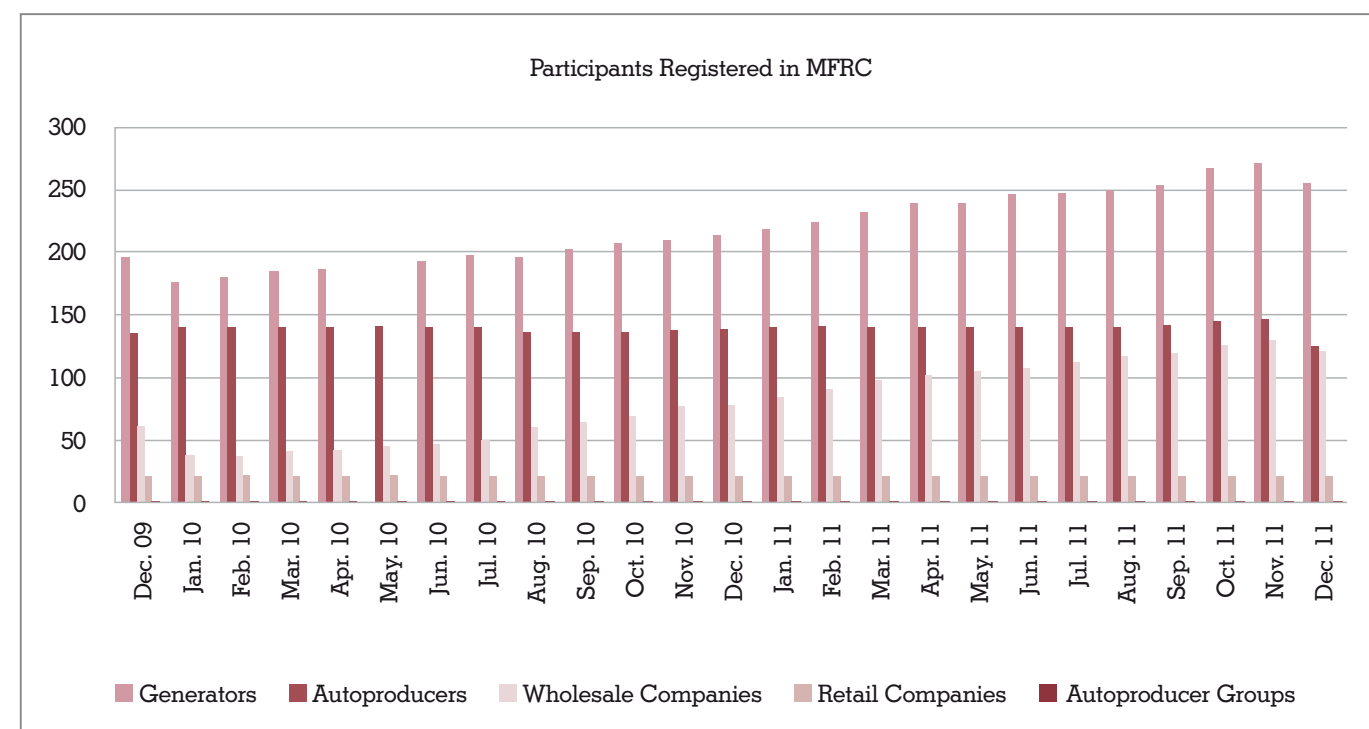


Diagram 14: Development of The Number of Participants Registered in MFRC

### 4.1.3. Electricity Market Eligible Consumer Implementation

In the sub-paragraph (b) of the paragraph 6 of Art.5 of the Law, it is stipulated that "The Authority shall determine the reductions in the limits regarding the eligible consumer definition and publish the new limits until the end of January of each year." As a result of the studies made within the scope of the principles defined in the Art.10 of the Electricity Market Eligible Consumer Regulation, it was determined to implement the eligible consumer limit as 30 thousand kWh for 2011 with the Board Decision dated 26.01.2011 and numbered 4628. The theoretical market openness rate corresponding to that limit is calculated as 75%.

The data on consumption realized in the liberal market in the first 11 months of 2011 is shown in the diagram hereunder:

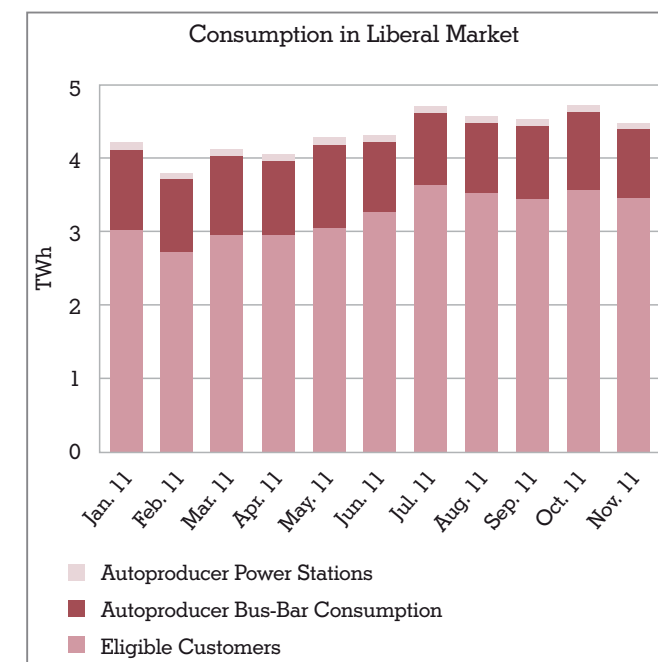


Diagram 15: Consumption in Liberal Market

In 2011 total eligible consumption was 48,04 TWh. This figure corresponds to 23,1% of Turkey's total gross consumption amount (208,339 TWh) of 2011's 11 months. The number of eligible consumers in 2011 shows a tendency of rapid increase.

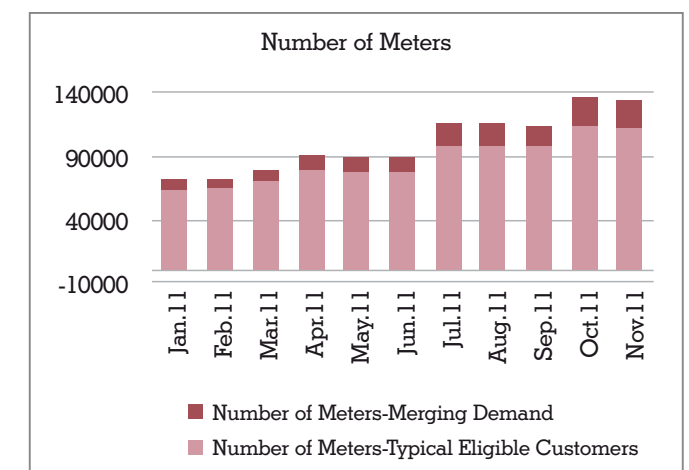


Diagram 16: Increase in The Number Of Eligible Consumer Meters in 2011

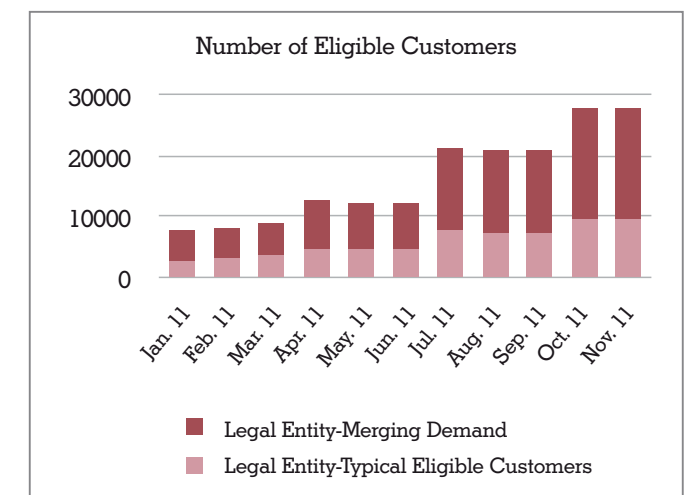


Diagram 17: Increase in The Number Of Eligible Consumers in 2011

## Part II Information on Activities

Although the theoretical market openness rate calculated last year according to the eligible consumer limit determined to be 30 thousand kWh for 2011 is 75%, the part of electricity sector open to competetion constitutes 37% of all market as of the end of 2011 when the installed capacities in the generation side are taken into consideration, and on the consumption side, constitutes 23% when the 2011 first 11 months' monthly actual consumptions are taken into consideration.

### 4.1.4. Privatization

The studies of electricity sector privatizations started within the scope of the “Electricity Sector Reform and Privatization Strategy Paper” adopted by the Decision of the High Planning Council dated 17.03.2004 and numbered 2004/3.

The electricity sector privatizations are conducted by the Privatization Administration in line with the provisions of Law on Privatization Implementations No:4046 as per the Art. 14 of the Law No: 4628.

The privatization activities conducted by our Authority in 2011 are as follows:

#### ● Electricity Generation Facilities

As a result of the tenders issued as per the Decision of the High Planning Council dated 26.08.2010 and numbered 2010/66-83 published in the Official Gazette dated 27.08.2010 and numbered 27685, in 2011 license applications were made for the generation facilities listed hereunder. The data on the companies whose licensing procedures are continuing ora re licensed are shown in the table below.

Company	Facility	Installed capacity
Kent Solar Electricity Generation Co.Inc.	İnegöl-Cerrah HES	0,272 MWm / 0,272 MWe
Kent Solar Electricity Generation Co.Inc.	İznik-Dereköy HES	0,240 MWm / 0,240 Mwe
Kent Solar Electricity Generation Co.Inc.	M. Kemalpaşa-Suuçtu HES	0,472 MWm / 0,472 Mwe
Kayseri and Vicinity Power Generation Co.Inc.	Bünyan HES	1,36 MWm / 1,156 Mwe
Kayseri and Vicinity Power Generation Co.Inc.	Sızır HES	6,780 MWm / 5,763 Mwe
Kayseri and Vicinity Power Generation Co.Inc.	Çamardı HES	0,068 MWm / 0,068 Mwe
Kayseri and Vicinity Power Generation Co.Inc.	Pınarbaşı HES	0,099 MWm / 0,099 MWe
Boydak Power Generation and Trade Co.Inc.	Bayburt HES	0,440 MWm / 0,396 Mwe
Boydak Power Generation and Trade Co.Inc.	Çemişgezek HES	0,124 MWm / 0,116 Mwe
Boydak Power Generation and Trade Co.Inc.	Girlevik HES	3,252 MWm / 3,040 Mwe
Ka-Fnih Electricity Generation ind.and Trade Co.inc.	Değirmendere HES	0,500 MWm / 0,480 Mwe
Ka-Fnih Electricity Generation ind.and Trade Co.inc.	Kızıculu HES	0,272 MWm / 0,261 Mwe
Ka-Fnih Electricity Generation ind.and Trade Co.inc.	Karaçay Hes	0,400 MWm / 0,384 Mwe
Mostar Power Electricity Generation Co.Inc.	Ahlat Hes	0,268 MWm / 0,201 Mwe
Mostar Power Electricity Generation Co.Inc.	Malazgirt HES	1,630 MWm / 1,216 Mwe
Mostar Power Electricity Generation Co.Inc.	Varto-Sönmez HES	0,390 MWm / 0,292 Mwe
Mostar Power Electricity Generation Co.Inc.	Adilcevaz HES	0,526 MWm / 0,394 Mwe
Nas Energy Co.Inc.	Çağ Çağ HES	15,6 MWm / 14,4 Mwe
Nas Energy Co.Inc	Otluca HES	1,39 MWm / 1,28 Mwe
Nas Energy co.Inc.	Uludere HES	0,69 MWm / 0,64 Mwe
Turunçova Power Elec. Generati-on,Tourism,Construction Co. Inc.	Turunçova-Fınıke HES	0,552 MWm / 0,530 Mwe
Kayseri and Vicinity Power Generation Ind. and Trade Co. Inc	Derme HES	4,5 MWm / 4,5 Mwe
Kayseri and Vicinity Power Generation Ind. and Trade Co. Inc.	Besni HES	0,272 MWm / 0,272 Mwe
Kayseri and Vicinity Power Generation Ind. and Trade Co. Inc.	Erkenek HES	0,32 MWm / 0,32 Mwe
Kayseri and Vicinity Power Generation Ind. and Trade Co. Inc.	Kernek HES	0,832 MWm / 0,832 Mwe
İvme Group Power generation Ind.and trade Co.Inc.	Kayadibi HES	0,503 MWm / 0,464 Mwe
BatçımPower Electricity Generation Co.Inc.	Kovada I HES	8,25 MWm / 8,25 Mwe
	Kovada II HES	51,2 MWm / 51,2 Mwe

Table 31: Electricity Generation Facilities Licensed in 2011

Facility	Installed Capacity
Bozüyük HES	0,360 MWm / 0,306 Mwe
Haraklı Hendek HES	0,264 MWm / 0,224 Mwe
Pazarköy- Akyazı HES	0,178 MWm / 0,151 Mwe
Kayaköy Hes	2,70 MWm / 2,56 Mwe
Anamur HES	1,170 MWm / 0,840 Mwe
Bozyazı HES	0,476 MWm / 0,424 Mwe
Mut-Derinçay HES	1,336 MWm / 0,880 Mwe
Silifke HES	0,582 MWm / 0,400 Mwe
Zeyne HES	0,480 MWm / 0,328 Mwe
Dere HES	0,750 MWm / 0,600 Mwe
İvriz HES	1,394 MWm / 1,040 Mwe
Esental HES	0,30 MWm / 0,291 Mwe
Işıklar (Visera) HES	1,04 MWm / 1,00 MWe

Table 32: Electricity Generation Facilities Whose Licensing Process Continued in 2011

Privatized Asset	Date of Transfer	Price (\$)	Transferee
Başkent Electricity Distribution Co.Inc.	28.01.2009	1.225.000.000	Enerjisa Electricity Distribution Co.Inc.
Sakarya Electricity Distribution Co.Inc.	11.02.2009	600.000.000	Akcez Energy Investments Co.Inc.
Meram Electricity Distribution Co.Inc.	30.10.2009	440.000.000	Alcen En. Dist. and retail Sale Services Co.Inc.
Osmangazi Electricity Distribution Co.Inc.	02.06.2010	485.000.000	Dedeli Inv. Cons. Elec.Dist. Co.Inc.
Uludağ Electricity Distribution Co.Inc.	03.09.2010	940.000.000	Uluğ Energy Distribution Company
Çamlıbel Electricity Distribution Co.Inc.	03.09.2010	258.500.000	Çamlı Energy Distribution Co.Inc.
Çoruh Electricity Distribution Co.Inc.	01.10.2010	227.000.000	Çoruh Aksa Electricity Services Co.Inc.
Yeşilırmak Electricity Distribution Co.Inc.	30.12.2010	441.500.000	Çalık Electricity Distribution Co.Inc.
Fırat Electricity Distribution Co.Inc.	31.12.2010	230.250.000	Fırat Aksa Electricity Services Co.Inc.
Trakya EDAŞ	30.12.2011	575.000.000	IC İçtaş Electricity Trade Co.Inc.
Total		5.422.250.000	

Table 33: Data on the Distribution Companies Whose Share Transfers Are Approved

Privatization tenders of other distribution regions were completed, approval and transfer processes are continuing.

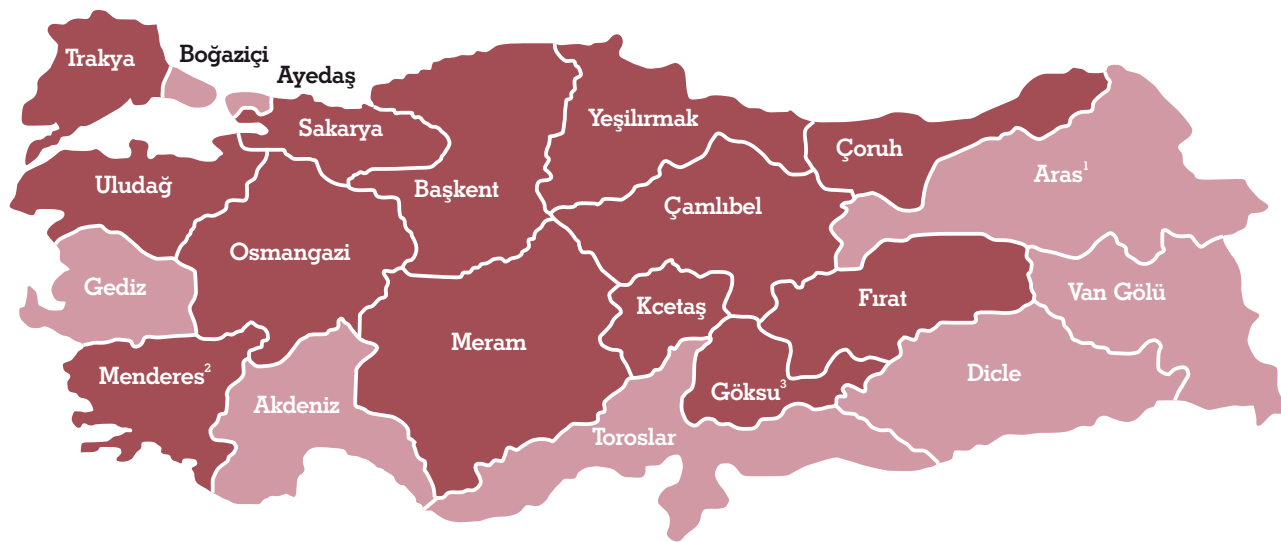
#### ● Electricity Distribution Regions

The table hereunder is showing the distribution regions formed with the Strategy Paper and decided to be privatized as per Law 4046 and whose transfer of shares are approved by EMRA.

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### THE CURRENT SITUATION IN THE DISTRIBUTION REGIONS

■ Regions Privatization In Progress ■ Private Sector Transferred Regions



#### 4.2. Natural Gas Market Monitoring and Surveillance Activities

##### 4.2.1. Turkish Natural Gas Market

Turkey has to import natural gas due to the expansion in the use of natural gas which started in 1970's and the insufficiency of the domestic reserves and production amounts to meet this demand.

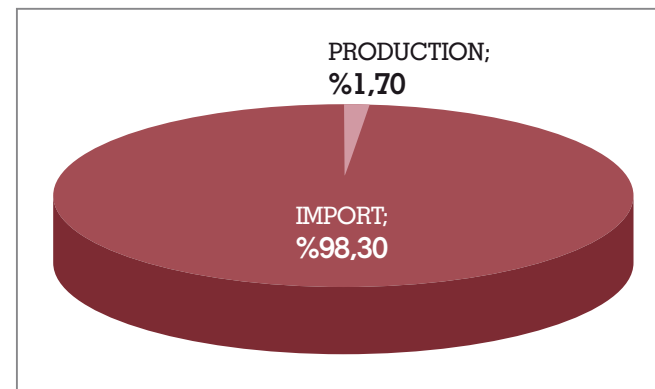


Diagram 18: Dispersion of Natural Gas Supply in 2011 (%)

In 2011, national consumption of natural gas was 44,259 billion Sm³, import amount was 43,874 billion Sm³. The production data of the production companies granted wholesale license by EMRA is given hereunder.

It can be seen that although the yearly increase rates differs in 1990-2008, the consumption amount increases each year. The increase rates in 2007-2009 gradually decreased. In 2009 as an effect of the economic crisis national natural gas consumption decreased by 4,8% compared to 2008. In 2010 due the mitigation in the effects of the economic crisis there was 6,5% increase in consumption. In 2011 consumption amount increased 18,3% compared to the previous year. The national natural gas consumption forecast for 2012 was announced as 48.500.000.000 S m³ by Board Decision and and increase of 24,3% is foreseen with this forecast.

The sectoral dispersion of the 2011 national natural gas consumption was : electricity generation % 47.89, industry %26.46 and household %25.64.

Data on 2008-2011 production pertaining to the licensed companies is as follows;

COMPANIES	2008	2009	2010	2011
AMITY OIL INT. PTY LTD.	66,67	66,95	67,85	56,46
TPAO	488,23	275,00	255,00	317,00
THRACE BASIN NAT. GAS CORP	338,74	274,2	246,50	237,60
FOINAVON ENERGY INC. (FORMER NAME: STRATIC ENERGY INC.)	20,56	17,18	16,69	22,07
TIWAY TURKEY LTD. (FORMER NAME: TOREADOR TURKEY LTD.)	61,22	41,51	13,91	20,63
PETROL OFİSİ AR.ÜR.SAN.A.Ş.	-	9,78	36,38	48,19
TRANSATLANTIC EXP. MED. INT. PTY. LTD.	-	-	45,95	43,27
PETROGAS PETROL GAZ VE PETROKİMYA ÜRÜNLERİ İNŞ. SAN. VE TİC. A.Ş.	-	-	-	14,37
<b>TOTAL PRODUCTION</b>	<b>975,44</b>	<b>684,62</b>	<b>682,28</b>	<b>759,59</b>

Table 34: Production Data of Wholesale Licenses (million m³)

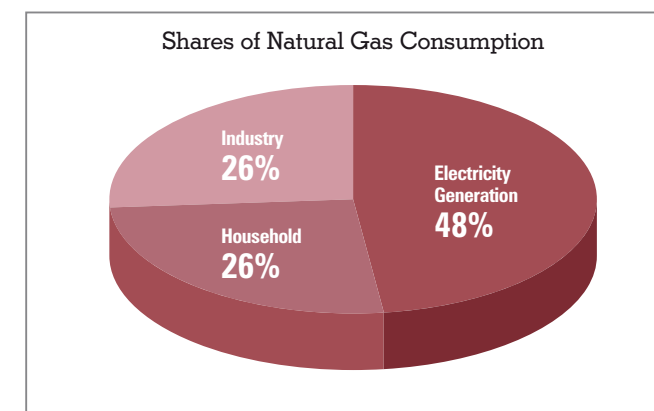


Diagram 19: Shares of Natural Gas Consumption in 2011 (%)

Despite the import dependency which is the direct consequence of the insufficiency of the domestic natural gas resources in meeting the increasing consumption, Turkey has the advantage of reaching foreign supply resources due to its geographic structure facilitating the purchase of both pipe gas and LNG, nevertheless under current conditions there is an import dependency in favor of Russia.



## Part II Information on Activities

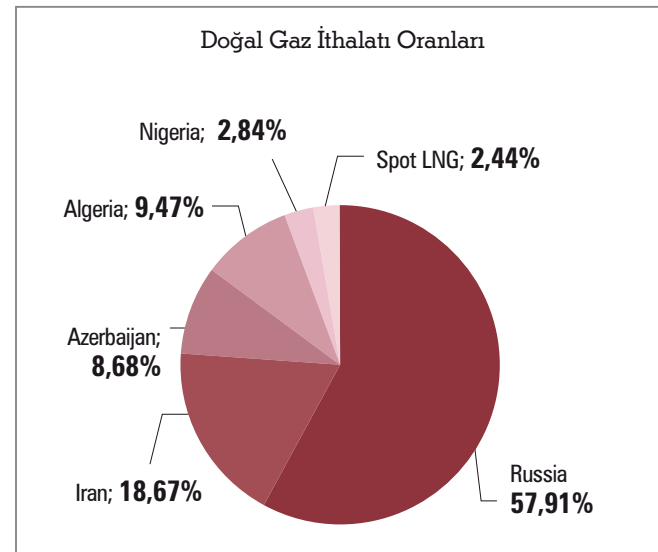


Diagram 20: Turkey's Natural Gas Imports in 2011

The studies conducted with TÜBİTAK to gather information on the activities of the companies, monitoring and keeping records of the previous years' activities continued.

### 4.3. Petroleum Market Monitoring and Surveillance Activities

#### 4.3.1. Turkish Petroleum Market

In Turkey in 2011 the refining undertaking licenses made refining by using the crude oil and intermediate products imported or obtained domestically. In 2011 18.09 million tonnes of crude oil processed by refining undertaking licensees was imported.

Country	Amount			Share (%)		
	2009	2010	2011	2009	2010	2011
Iran	3.228	7.261	9.287	23	43	51
Russia	5.762	3.320	2.131	41	20	12
S.Arabia	2.096	1.953	1.965	15	12	11
Iraq	1.733	2.001	3.071	12	12	17
Kazakhstan	522	1.786	1.186	4	11	7
Syria	160	406	255	1	2	1
Italy	249	110	116	2	<1	<1
Azerbaijan	77	-	81	<1	-	<1
Libia	139	-	-	<1	-	-
Georgia	36	-	-	<1	-	-
Nigeria	190	-	-	1	-	-
<b>Total</b>	<b>14.192</b>	<b>16.837</b>	<b>18.092</b>	<b>100</b>	<b>100</b>	<b>100</b>

Table 35: Crude Oil Import of Refining Undertaking Licensees in 2009-2011 (1.000 Tonnes)

The total crude oil import of refining undertakings in Turkey was 14,19 million tonnes in 2009, 16,84 million tonnes in 2010 and in 2011 it was 18,09 with an increase of 1,25 million tonnes.

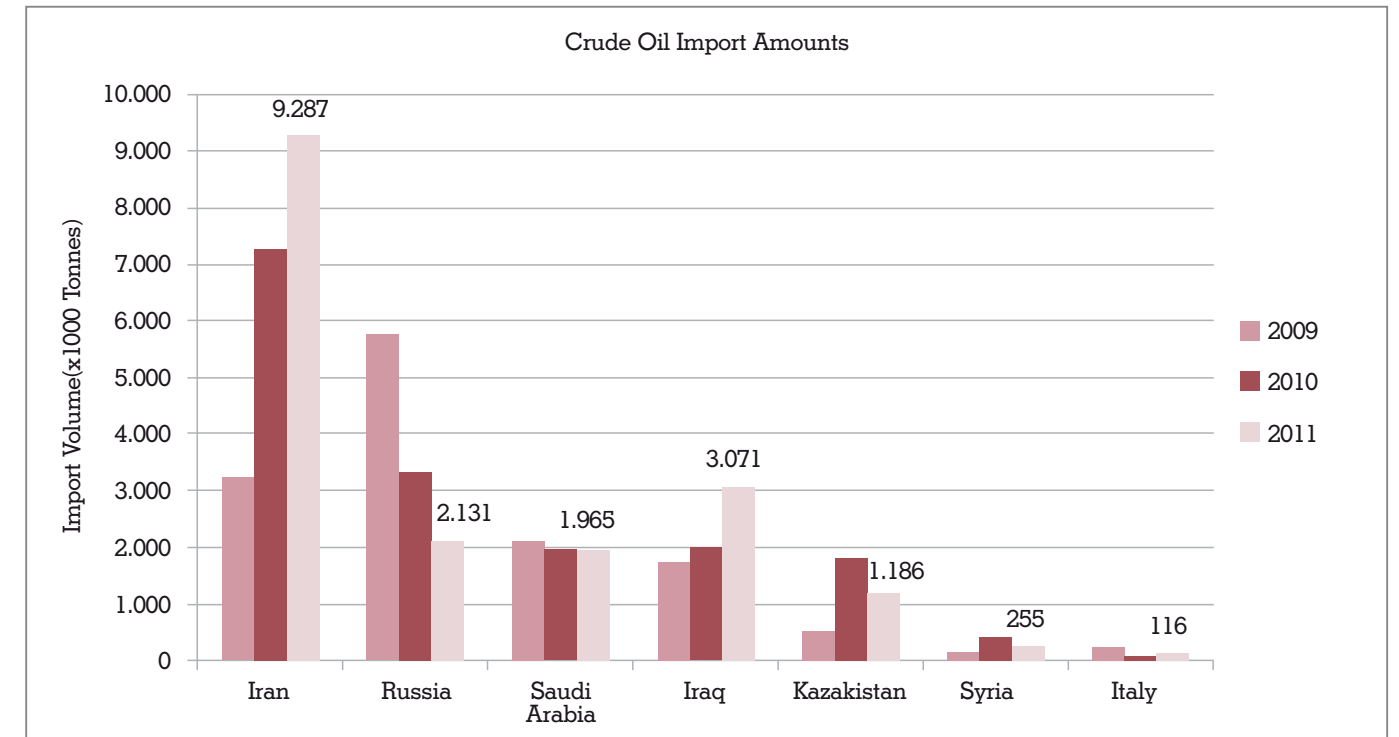


Diagram 21: Crude Oil Import Amounts in Terms Of 7 Countries With the Biggest Shares

When we examine the diagram above, the biggest share in crude oil import belongs to Iran and Russia as was the case in 2010. In 2011 share of Iran, Russia, Saudi Arabia, Iraq and Kazakhstan in total import is approximately 98%. In 2009-2011 the ranking of the countries from which imports are made changes however those five countries remain the same.

Refining undertaking license holders focused on intermediate products (HVGO, LCO, ASRFO, HSG etc.) instead of crude oil in order to use the idle capacity formed in 2011 as was the case in 2009. They used the intermediate products obtained as a result of the refining process in their own refining processes instead of importing as they did in the previous years. They continued the import of intermediate

products to more rapidly meet the domestic and foreign demands and to increase the rate of capacity use.

Total production amount of benzene, diesel and fuel oil types of refining licensees was 11,73 million tonnes in 2010. Production amounts of diesel types and fuel oil types increased 12% and 29% respectively in 2010 when compared to 2009. Production benzene types decreased 0,5%.

Distribution license holders delivered 15.8 million tonnes of liquid fuel ( 2.1. million tonnes of benzene, 13,9 million tonnes of diesel, 522 thousand tonnes of fuel oil types)to vendors in 2010; whereas in 2011 they delivered 16,5 million tonnes of liquid fuel(2,1 million tonnes of benzene, 13,9 million tonnes of diesel, 522 thousand tonnes of fuel oil types)

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to vendors. 15,8 million tonnes of 16,8 million tonnes liquid fuel delivery is the delivery made to the vendors.

The total sale of benzene, diesel, fuel oil, biofules and gas oil delivered to the vendorship license holders within the related city borders in 2011 is shown in the table hereunder;

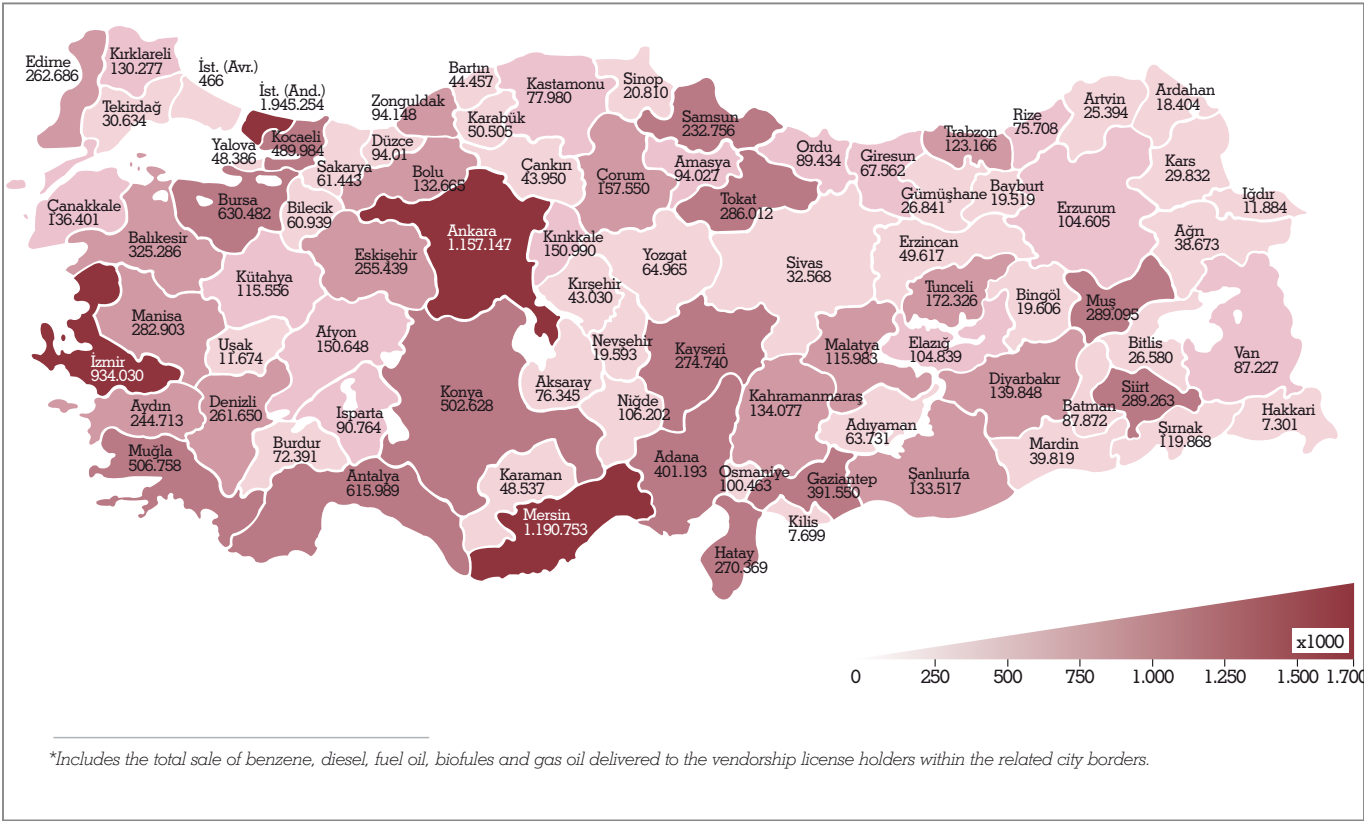


Diagram 22: Sale of Liquid Fuel in Terms Of Cities in 2011 (tonnes) \*

Product (tonnes)	Refinery production	Refinery export	Distributor export	BDLH export	Distributor bunker export	BDLH bunker export	Refining bunker export	Distributor liquid fuel export	Refining export	Distributor sale	Other refining sale	Other distributor sale	Distributor bunker sale	BDLH Bunker sale
Types of benzene	4.271.797	0	139.276	0	0	0	239	2.441.872	1.976.662	3.521	1880	643	0	0
Types of diesel	6.992.387	985.955	7.259.461	0	0	0	2.000	109.937	14.679.799	188.347	48.583	318920	0	0
Types of fuel oil	2.465.968	537.742	138.095	0	0	0	44	2.147.546	793.406	125.102	206	1731	0	0
Marine fuels	686.157	0	0	0	631.255	0	0	0	0	0	0	36178	631.255	0
Aviation fuels	2.878.544	94.294	0	473.705	2.152.853	229.851	0	0	0	261.369	0	710.959	2.152.853	229.851
Total	17.294.853	1.617.991	7.536.832	473.705	2.784.108	229.851	2.283	4.699.355	17.449.867	578.339	50.669	1.068.431	2.784.108	229.851
TOTAL	26.923.381				26.862.903									

Table 36: 2011 Overview of Petroleum Market ● BDLH stands for Bunker Delivery License Holders. ● Sale to Military is Not Taken Into Consideration.

4.3.2. Petroleum Market Information System

With the “Regulation Amending the Petroleum Market Information System Regulation” the scope of the notifications and notification liabilities was changed and its is stipulated that the notifications are made through internet by electronic signature via petroleum market information system unless otherwise specified. Petroleum Market Sector Report was prepared by compiling the data gathered through Petroleum Market Information System. It was monitored whether the notifications were duly made and the regulations were applied.

4.4. LPG Market Monitoring and Surveillance Activities

4.4.1. Turkish LPG Market

In 2011 3.746.02 tonnes of LPG was consumed. 122.82 tonnes of this was bulk, 981.71 tonnes was tubed and 2.642.13 tonnes was autogas sale. The consumption in terms of products are shown hereunder;

Year		Product			
		Tubed	Bulk	Autogas	Total
2006	Sale(tonnes)	1.491.580	475.454	1.550.605	3.517.639
	Ratio (%)	42,4	13,52	44,08	100
2007	Sale(tonnes)	1.302.434	216.470	2.006.263	3.525.167
	Ratio (%)	36,95	6,14	56,91	100
2008	Sale(tonnes)	1.177.269	171.528	2.111.557	3.460.354
	Ratio (%)	34,02	4,96	61,02	100
2009	Sale(tonnes)	1.134.145	180.949	2.305.240	3.620.333
	Ratio (%)	31,33	5	63,67	100
2010	Sale(tonnes)	1.043.809	126.051	2.489.501	3.659.360
	Ratio (%)	28,52	3,44	68,03	100
2011	Sale(tonnes)	981.710	122.182	2.642.133	3.746.025
	ratio (%)	26,21	3,26	70,53	100

Table 37: Dispersion of the LPG Consumption in Terms of Products

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When the LPG sale figures in 2011 are compared with 2010, the consumption of tubed LPG decreased by 6%, bulk LPG by 3% and the consumption of autogas LPG increased by 6%.

When we examine the consumption amounts in previous years, we can see that the decrease in the tubed LPG slowed down, the consumption of bulk LPG decreased to a great extent and the share in the total consumption decreased to 3,26%, the increase in the consumption of autogas continued and its share in the total consumption increased to 70%.

The narrowing in the consumption of tubed and bulk LPG is expected to continue due to the spreading of natural gas use and tax policies. LPG is preferred in Turkey for being cost-effective, whereas in the world it is preferred for being environment friendly, and the sector enjoys some advantages. Within that scope, with the expectation of implementation of such advantages and exceptions also in Turkey, it is foreseen that some automotive firms will increase their production of vehicles using LPG and when the high liquid fuel prices are considered it is expected that the increase in autogas LPG consumption will continue.

### 4.4.2. LPG Market Information Management System

Within the scope of the notification liabilities set forth by the Law No:5307 and LPG Market Licensing Regulation, real or legal persons liable to make notifications are making notifications to the Authority through LPG Information Management System with e-signature. Within the scope of monitoring activities, through the notifications made to the Authority in 2011 the activities of distribution and refining undertaking license holders were monitored, the data were reported and shared with the public.

Within that scope, in the aforementioned period, first the 2010 Market Report, then 2011 Jan-March period, 2011 Jan-June period and 2011 Jan-July period summary market figures were published. Starting from the August 2011

monthly data on LPG market was announced to public and 2011 Aug, Sept, Oct and Nov. figures were published on our website.

## 5. AUDITS

The Authority is also entitled to audit the energy markets as per the Laws No: 4628, 4646, 5015 and 5307. Within that scope with 4 separate regulations on the principles and procedures to be applied in the audits, pre-investigations and interrogations in the electricity, natural gas, petroleum and LPG markets.

The Board decides for direct investigation or pre-investigation on its own initiative or upon denunciations or complaints filed to the Authority because of the infringing activities of the real or legal persons operating in the market.

The Authority audits the market activities through its own staff or by service procurement from the public institutions and organizations or private audit firms.

In line with the provisions of Petroleum Market Law and LPG Market Law, ; cooperation protocols were signed between the Authority and the Ministry of Internal Affairs (Security General Directorate, Gendarmerie Headquarters, Coastal Security Commandership), Ministry of Industry and Trade and Undersecretariat for Customs for the audits to be made in the market throughout the country. These institutions continued auditing activities on behalf of EMRA in 2011.

### Independent Audit

Independent auditing firms are entitled to audit the compliance of the activities, implementations, transactions, accounts and balance sheets of the license holding legal persons, certificate holding real or legal persons and authorization document holding official or private companies operating in the energy market with the generally accepted accounting principles, regulations issued by the Board on accounting and financial reporting and with the general and

special provisions which are the integral parts of their licenses, certificates and authorization documents.

Within the framework of the Regulation Regarding the Audits to be made by Independent Auditing Firms in the Energy Market and related communiqués, 4 independent auditing firms applied to the Authority in 2011 were granted independent auditing authorization and 1 was cancelled by Board Decision and the total number of authorized independent auditing firms has reached to 85.

### 5.1. Electricity Market Auditing Activities

As a result of the audits and investigations realized in the electricity market, the sanctions and penalties within the scope of the Article 11 of the Law No:4628 are applied.

As a result of the audits and investigations made in the electricity market, in 2011 within the scope of the investigations started by reason of breaching the related legislation against 57 license holding companies. Administrative fine of total 2.861.600-TL was imposed to 1 transmission licensee and 7 distribution licensees.

The audits conducted in the electricity market by the independent auditors authorized by the Authority are also continuing. Within that scope, 220 companies have been audited and the auditing reports have been submitted to the Authority

### 5.2. Natural Gas Market Auditing Activities

#### 5.2.1. Audits and Investigations

As a result of the audits as per the Article 9 of the Law No:4646; within the scope of the investigations started by reason of breaching the related legislation against 37 license holding companies, administrative fine was imposed to 9 companies amounting to 4.160.594-TL.

Within the scope of the audits in the natural gas market by the independent audit firms, 100 firms were audited and the

reports were submitted to the Authority.

### 5.2.2. Natural Gas Market Investigation and Audit

As per the clause “g” of the paragraph four of the Article 4 of the Law No: 4646 and Article 30 of the Distribution and Customer Services Regulation; within the scope of the Board Decision dated 22.03.2007 and numbered 1135/8, service procurement contracts were signed with two companies on 01.06.2007. It is planned to continue to monitor and investigate the distribution companies in 2012.

The activities of all market participants especially the in-city distribution companies are monitored by EMRA. In addition, the two companies which signed a service procurement contract by EMRA made monitoring and surveillance activities on behalf of EMRA in 57 distribution regions. In addition, 57 distribution regions were monitored and examined on behalf of EMRA by the two contracted companies. All monitored and investigated distribution regions as of the end of 2011 are listed below:

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All Monitored and Invetigated distribution regions as of the end of 2011

1. Adapazarı	20. Edirne - Tekirdağ - Kırklareli	39. Kayseri
2. Adıyaman	21. Elazığ	40. Kırıkkale - Kırşehir
3. Afyon	22. Erzincan	41. Konya
4. Aksaray	23. Erzurum	42. Konya Ereğli
5. Amasya-Tokat	24. Eskişehir	43. Kütahya
6. Ankara	25. Gaziantep - Kilis	44. Malatya
7. Antalya	26. Gebze	45. Manisa
8. Balıkesir	27. Gemlik	46. Niğde-Nevşehir
9. Bandırma	28. Gümüşhane Bayburt	47. Ordu-Giresun
10. Bilecik-Bolu	29. Isparta-Burdur	48. Polatlı
11. Bursa	30. İnegöl	49. Samsun
12. Çanakkale	31. İstanbul	50. Seydişehir - Çumra
13. Çatalca-Hadımköy	32. İzmir	51. Şanlıurfa
14. Çorlu	33. İzmit	52. Sivas
15. Çorum	34. Kahramanmaraş	53. Trabzon Rize
16. Çukurova	35. Karabük - Çankırı -Kastamonu	54. Uşak
17. Denizli	36. Karacabey - M.K.Paşa -Susurluk	55. Van
18. Diyarbakır	37. Karaman	56. Yalova
19. Düzce-Kdz.Ereğli	38. Kars-Ardahan	57. Yozgat

Table 38: All Monitored and Investigated Distribution Regions As Of The End Of 2011

In addition, examinations are started to determine whether or not the investment liability of the distribution companies which completed their 5 years' period and to ensure the return of warranty.

Within that scope, UGETAM and S&Q MART companied have been authorized to make examinations and reporting on behalf of EMRA.

These accredited companies made examinations on 16

distribution companies and reports for 14 distribution companies were submitted to EMRA for evaluation as of 22.06.2011. In line with the Board Decisions these reports were revised. In addition, the reports of the examinations regarding the 5 years' period liabilities in 23 distribution regions were submitted to EMRA for evaluation as of 11.05.2012.

The evaluation process is continuing in EMRA.

5.3. Petroleum Market Auditing Activities

5.3.1. Audits and Investigations

Petroleum Market audits are the activities of examining the compliance of the market activities and accounts of the real or legal persons operating in the market with the provisions of the applicable legislation and examining the compliance of the petroleum and lube oil supplied to the market by those persons with the technical regulations and imposing sanctions set forth by the Laws in case of determination of defects, incompliance and abuse. As a consequence of such examinations and audits administrative fines and administrative sanctions are applied.

In line with the provisions of the Art.14 of Petroleum Market Law; "The Authority shall audit the market activities via its own personnel or by the way of service procurement from public institutions and organizations and private auditing organizations "cooperation protocols were signed between the Authority and the Ministry of Internal Affairs (Security General Directorate, Gendarmerie Headquarters, Coastal Security Commandership), Ministry of Industry and Trade and Undersecretariat for Customs for the audits to be made in the market throughout the country. These institutions continued auditing activities on behalf of EMRA in 2011.

In line with the provisions of the cooperation protocole, the market activities to be audited, date and regions of the audits were determined by the Auditing Department of EMRA, national marker audits were made.

Both through determinations and complaints and denunciations audits continued by the protocoled institutions. Especially, determinations were made on illicit sale of liquid fuel in the audits made by the Undersecretariat of Customs and Gendermerie. In addition, the compliance of the activities of licensees with the Law No:5015 and related legislation was examined.

In 2011, as a result of the analysis of 3726 samples collected in the audits it was found out that the national marker level of 2513 was insufficient and 2598 was contrary to the technical regulations and 1086 were found to be appropriate.

Technical Regulations		
	CONSISTENT	INCONSISTENT
VALID	1.086	127
INVALID	42	2.471

Table 39: 2011 Result of Analysis



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Total 189.198.154.TL administratrive fine was imposed to 1.614 real or legal persons determined to be in breach of the

Law No: 5015 and related legislation. The details of the imposed fines are shown in the table hereunder:

Incompliance	No.of fines	Total amount of fines (TL)
Incompliance with the Art 18 of the Law No: 5015 DELIVERY OF LIQUID FUEL WITHOUT NATIONAL MARKER	3	1.800.000
Incompliance with the Art.2,3,4 of the Law No: 5015 DELIVERY OF LIQUID FUEL TO THE NONLICENSED VENDORS	7	5.986.160
Incompliance with the sub-prg (a) of the prg 1 of the Art 3 of the Law No:5015 NONLICENSED MARKET ACTIVITY	1	672.000
Incompliance with the prg 7 and 9 of the Art 3 of the Law No:5015 AMENDING THE LICENSE WITHOUT PERMISSION	1	57.232
Incompliance with the prg (i) of the Art.4 of the Law No:5015 LIQUID FUEL DELIVERY INCOMPLIANT WITH THE TECHNICAL REGULATIONS	4	1.176.388
Incompliance with the prg 2 of Art 7 of the Law No:5015 DELIVERY OF LIQUID FUEL TO OTHER VENDORS	4	4.800.000
Total	20	14.491.780

Table 40: Fines Imposed to Distributors, Storage Companies, Refining Undertakings in The Petroleum Market in 2011 Within The Scope of The Law No:5015

Incompliance	No.of fines	Total amount of fines
Incompliance with the prg 14 of the Art.10 of the Law No: 5015 NOT APPLYING THE CEILING PRICE	2	268.800
Incompliance with the sub-prg (d) of prg 4 of Art4 and Art.15 of the Law No:5015 FAILURE TO MEET THE INSURANCE LIABILITY	13	152.854
Incompliance with the Art.18 of the Law No:5015 DELIVERY OF LIQUID FUEL WITH INVALID NATIONAL MARKER LEVEL	21	2.746.712
Incompliance with the sub-prg (i) of the prg 4 of Art 4 and Art.18 of the Law No:5015 DELIVERY OF LIQUID FUEL WITH INVALID NATIONAL MARKER LEVEL AND INCOMPLIANT WITH THE TECHNICAL REGULATIONS	457	64.333.767
Incompliance with the prg(b) of the Art 8 and sub-prg(i) of the Prg 4 of Art 4 of the law No: 5015 DELIVERY OF LIQUID FUEL WITH INVALID NATIONAL MARKER LEVEL, INCOMPLIANT WITH THE TECHNICAL REGULATIONS AND FALSIFIED	28	4.727.654
Incompliance with the 1. Prg of Art 3 of the Law No:5015 NONLICENSED MARKET ACTIVITY	162	23.091.404
Incompliance with the 7. And 9. Prg of Art.3 of the Law No:5015 AMENDING TJE LICENSE WITHOUT PERMISSION	185	2.133.910
Incompliance with the clause (i) of the Art.4 of the Law No:5015 DELIVERY OF LIQUID FUEL INCOMPLIANT WITH THE TECHNICAL REGULATIONS	163	13.987.493
Incompliance with the 1.and 2. prg Art.4 of the Law No: 5015	174	12.105.959
Incompliance with the prg 3 of Art4 of the Law No:5015 ILL INTENTION AND DANGEROUS ACT	3	386.160
Incompliance with the sub-prg (f) of prg.4 of Art.4 of the Law No:5015 FAILURE TO MEET THE NOTIFICATION LIABILITY	1	286.160
Incompliance with the Art.8 of the Law No: 5015 DELIVERY OF LIQUID FUEL BY PERSONS OTHER THAN DISTRIBUTORS- FALSIFICATION	310	41.699.289
Incompliance with the prg.3 of the Art.8 of the Law No:5015 VILLAGE PUMP	10	544.464
Incompliance with the prg 7 of teh Art.9 of the Law No.5015 DELIVERY OF LIQUID FUEL OUTSIDE THE STATION	27	3.410.224
Incompliance with the prg 4 of the Art.7 of the Law No: 5015 NOT PUTTING AWAY THE FORMER DISTRIBUTOR'S SIGNS	30	4.253.086
Other	8	578.438
Total	1594	174.706.374

Table 41: Fines Imposed to Vendors in The Petroleum Market in 2011 Within The Scope of The Law No:5015

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The dispersion of the fines imposed to real/legal persons operating in the petroleum market is shown in the table hereunder:

VENDORS		
Cities	Number of Fines	Amount of fines (TL)
Adana	32	3.725.598
Adıyaman	8	921.756
Afyonkarahisar	56	4.779.676
Ağrı	9	929.640
Aksaray	38	5.157.455
Amasya	4	455.245
Ankara	142	20.751.079
Antalya	16	1.463.462
Ardahan		
Artvin	1	137.356
Aydın	7	839.424
Balıkesir	42	4.999.206
Bartın		
Batman	7	717.835
Bayburt		
Bilecik	18	1.606.244
Bingöl		
Bitlis	54	5.872.333
Bolu	30	3.101.258
Burdur	1	134.400
Bursa	23	2.491.546
Çanakkale	1	137.356
Çankırı	42	8.029.876
Çorum	15	1.594.504
Denizli	4	200.000
Diyarbakır	39	4.132.170
Düzce	12	1.307.400
Edirne	4	214.464
Elazığ	13	1.032.984
Erzincan	2	412.068
Erzurum	3	906.092
Eskişehir	14	1.413.056
Gaziantep	77	7.254.312
Giresun		
Gümüşhane		
Hakkari	1	120.000
Hatay	2	274.712

Iğdır	9	1.504.626
Isparta	26	1.557.646
İstanbul	63	5.212.424
İzmir	116	11.926.732
Kahramanmaraş	13	1.641.304
Karabük	5	480.889
Karaman	6	391.706
Kars	5	586.344
Kastamonu	12	1.141.430
Kayseri	8	1.072.624
Kırıkkale	35	4.187.533
Kırklareli	5	429.052
Kırşehir	10	838.756
Kilis	1	250.000
Kocaeli	12	1.735.029
Konya	75	7.731.368
Kütahya	7	748.068
Malatya	3	667.356
Manisa	66	7.037.931
Mardin	2	191.632
Mersin	21	2.243.537
Muğla	9	830.000
Muş		
Nevşehir	19	1.782.558
Niğde	63	6.026.778
Ordu	2	107.232
Osmaniye	7	587.200
Rize	3	247.632
Sakarya	53	5.861.072
Samsun	15	1.364.672
Siirt	3	409.112
Sinop		
Sivas	1	57.232
Şanlıurfa	24	1.958.038
Şırnak	22	2.192.776
Tekirdağ	5	432.226
Tokat	2	257.356
Tunceli	2	114.464
Trabzon	1	50.000
Uşak	6	1.053.277
Van	135	14.196.164
Yalova	4	434.091
Yozgat	1	56.000
Zonguldak		
TOPLAM	1594	174.706.374

Table 42: Dispersion of The Fines Imposed to Vendors in The Petroleum Market in 2011

On the other hand, 20 fines amounting to 14.491.780-TL were applied to distributor, storage and refining undertaking licensees in the petroleum market in 2011.

5.3.2. National Marker

As per the Article 18 of the Petroleum Market Law numbered 5015 and the Regulation on Implementation of National Marker in the Petroleum Market, the implementation of national marker started on 01.01.2007 in order to prevent illicit and out of standard products through determining whether or not the liquid fuel circulating in the Turkish petroleum market enters the market in legal ways.

The national marker control equipment is produced by The Scientific and Technological Research Center of Turkey (TUBITAK) within the scope of the cooperation protocol signed between the Authority and TUBITAK on 17.03.2006. National marker is delivered to the license holders liable to add national marker to the liquid fuel at the TUBITAK National Metrology Institute in Gebze.

On the other hand, special concentration measurement equipment has been produced by TUBITAK to control the

national marker amounts in the liquid fuel and that equipment has been delivered to the related license holders.

As of 01.01.2007 8 ppm (0.008 Liter marker/1000 liter) which is the amount determined by the Authority is added by the refining undertaking, distributor and bunker delivery license holders to benzene, diesel and types of biodiesel at 86 points throughout the country at refinery exits, customs entry or other facilities where they will be subject to commercial activities for the first time. The process of adding national marker is done via the automatic dosage controlled injection systems installed at the aforementioned facilities by the license holders. Liquid fuel marked with the national marker is supplied to the domestic market after the measurements are made by the equipment delivered to the license holders.

Up-to date information on the amounts of marker delivered to the related license holders, the amount of used marker and the amount of marked liquid fuel is as follows:

		Amount of delivered NM (Lt.)	Amount of used NM (Lt.)	Amount of marked benzene (m³)	Amount of marked diesel (m³)	Amount of marked biodiesel/ ethanol (m³)	Total amount of marked liquid fuel (m³)
2007	Refining undertaking	105.502,64	100.936,65	2.550.960	9.813.110	0	12.364.070
	Distributors	63.270,89	56.522,89	751.636	6.247.129	26.719	7.025.484
	Total	168.773,53	157.459,54	3.302.596	16.060.239	26.719	19.389.554
2008	Refining undertaking	99.646,23	97.632,10	2.632.398	9.527.443	0	12.159.841
	Distributors	58.378,19	58.724,41	394.211	6.843.603	18.568	7.256.382
	Total	158.024,42	156.356,51	3.026.609	16.371.046	18.568	19.416.223
2009	Refining undertaking	87.617,32	88.218,87	2.675.966	8.320.760	0	10.996.726
	Distributors	66.726,45	66.141,29	276.821	7.975.514	12.231	8.264.566
	Total	154.343,77	154.360,16	2.952.787	16.296.274	12.231	19.261.292
2010	Refining undertaking	79.641,87	79.614,98	2.380.445	7.571.627	0	9.952.072
	Distributors	80.050,80	78.335,93	367.442	9.405.426	18.591	9.791.459
	Total	159.692,67	157.950,90	2.747.888	16.977.053	18.591	19.743.532
2011	Refining undertaking	91.993,00	92.304,00	2.413.099	9.124.916	0	11.538.015
	Distributors	72.401,00	72.963,00	193.624	8.903.953	22.982	9.120.599
	Total	164.394,00	165.267,00	2.606.723	18.028.869	22.982	20.658.574
TOTAL	Refining undertaking	464.401	458.707	12.652.868	44.357.856	0	57.010.724
	Distributors	340.827	332.688	1.983.734	39.375.625	99.091	41.458.490
	General Total	805.228	791.394	14.636.602	83.733.481	99.091	98.469.214

Table 43: Amounts of Used National Marker and Marked Liquid Fuel As Per Years

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The control of the liquid fuel after being added the national marker at any stage of the supply chain is done by the 482 “National Marker On-site Control Equipment” produced by TUBITAK. The control of liquid fuel in free circulation in the petroleum market is done within the framework of the cooperation protocol signed among our Authority and Ministry of Internal Affairs, Ministry of Science, Industry and Technology and Ministry for Customs and Trade.

Commandership and Gendarmerie Headquarters with an aim to determine whether or not the liquid fuel in the market contains national marker with adequate level and conditions. The samples found to be invalid as a result of the on-site controls have been sent to TUBITAK UME(National Metrology Institute), METU-PAL and İnönü-PAL. The legal proceedings against the facilities whose national marker amount found to be invalid were made.

As a result of the implementation of national marker, the legal

YEARS	Total number of measurements	Number of Valid Measurements	%	Number of Invalid Measurements	%
2007*	63.336	52.662	83,1	10.674	16,9
2008	77.981	64.898	83,2	13.083	16,8
2009	86.907	78.317	90,1	8.590	9,9
2010	84.218	73.699	87,5	10.519	12,5
2011	79.795	66.820	83,7	12.975	16,3
TOTAL	392.237	336.396	85,8	55.841	14,2

Table 44: The Results of National Marker On-Site Control Equipment  
\* Includes June-December 2007 period of year 2007.

On the other hand, as per the Circular of the Prime Ministry numbered 2007/25 published in the Official Gazette dated 15.10.2007 and numbered 26671, in the liquid fuel purchase of the public institutions and organizations national marker control is done during the delivery of the benzene, diesel and biodiesel to the tank of the purchasing authority. National marker control is done upon the demand of the administration before the taking delivery of the liquid fuel by the Ministry of Industry and Trade, Security Directorate General, Coastal Security Commandership and Gendarmerie Headquarters.

Within the scope of the national marker audits, audits were made with the participation of the staff of Ministry of Industry and Trade, Security Directorate General, Coastal Security

and illicit liquid fuel in free circulation within the country are differentiated and quality control can be made in each step of the product supply chain and it is prevented to supply illicit liquid fuel in the country and supply the out-of standard liquid fuel by blending with the other liquid fuels Thus, it is ensured that the liquid fuel supplied to the market is compliant with the standards.

5.3.3. Accredited Laboratories

Monitoring and surveillance of the petroleum market is important for determining the quality of the liquid fuel placed on the market and determining the illicit liquid fuel. Examinations and audits for the compliance of the liquid fuel with the technical regulations and standards are made within the scope of the “Regulation on the Technical Criteria to be

Applied in the Petroleum Market”. In the annex of this Regulation, the analysis required for each type of liquid fuel is stated and it is stipulated that these analysis should be made in accredited laboratories.

Within this scope, as per the provision of “The Authority may establish accredited stable and mobile laboratories to be used for audits in cooperation with the Turkish Accreditation Agency and allocate resources for their establishment.” stated in the fourth paragraph of Art. 14 of Petroleum Market Law, with the Board Decision dated 22.03.2007 and numbered 1136/12 it was decided to sign a cooperation protocol among Ege university, İnönü University, Karadeniz Technical University and our Authority for establishing accredited laboratories and making the analysis of liquid fuel types. The cooperation protocol was signed on 02.04.2007.

The studies for 100% accreditation of the laboratories by the Universities are continuing. The terms given to complete the accreditation procedures in the analysis excluding the cetane number analysis are;

- For İnönü University 31.12.2012,
- For Ege University 31.12.2012,
- For Black Sea Technical University 02.08.2012.

For cetane number analysis the accreditation procedures should be completed by 13-14.10.2012.

On the other hand, İnönü University notified EMRA that the accreditation procedures for benzene and lubricant types are compled before the given term and demanded an annex protocole. Service procurement contracts were signed between İnönü University and EMRA covering 21.03.2011-31.12.2011 regarding the analysis of benzene and lubricant types and national marker measurements. In addition, with its accreditation revised on 30.12.2011 İnönü University became accredited in all types of diesel, fuel-oil and fuel naphta.

Black Sea Technical University notified EMRA that it has been 100% accredited in analysis of benzene, fuel-oil, lubricant, fuel naphta and fuel biodiesel types and demanded an annex protocole. Annex protocole has been signed and service procurement contract covering 01.11.2011-31.12.2011 was signed for the 100% accredited liquied fuel types and national marker measurements.

Ege University notified EMRA that they have applied TÜRKAK for content enlargement and in case of being successful in all parameters they will be accredited in benzene, fuel-oil, lubricant and fuel naphta types. The process is still continuing. Upon the accreditation on all analysis regarding any one type of liquid fuel annex protocole will be signed with Ege University and service procurement will start within 2012 for the accredited liquid fuel types.

5.4. LPG Market Auditing Activities

The Liquefied Petroleum Gases market audits are made to evaluate the compliance of the facilities and activities of the real and legal persons operating in the market. Auditing activities and the sanctions and penalties to be applied are subject to the art.16 of the Law No: 5307. the procedures are carried on as per the secondary legislation issued as per this Law.

Regarding the audits in the LPG market, “Cooperation Protocol for the Audits to be made in the Petroleum Market and the Liquefied Petroleum Gases Market” between our Authority and the Ministry of Internal Affairs on 14.06.2006 and between the Ministry of Industry and Trade and our Authority on 28.06.2006. Within this scope, the whole market was audited; the activities of real or legal persons operating without licenses were stopped by sealing.

As a result of the audits made in 2011, a total of 52.999.326-TL administrative fine was applied to 402 license holding real or legal persons determined to be in breach of Law No:5307 and related legislation.

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DISPERSION OF THE FINES IMPOSED IN LPG MARKET IN 2011

VENDORS			VENDORS		
Cities	Fine	Amount (TL)	Cities	Fine	Amount (TL)
Adana	6	291.160	Düzce	1	286.160
Adıyaman	15	1.873.824	Edirne		
Afyonkarahisar	10	2.312.130	Elazığ	2	2.000
Ağrı	1	286.160	Erzincan	2	858.480
Aksaray	1	286.160	Erzurum	4	253.000
Amasya	5	802.534	Eskişehir	1	1.120
Ankara	13	3.048.388	Gaziantep	2	2.120
Antalya	1	1.120	Giresun		
Ardahan	2	2.000	Gümüşhane		
Artvin	1	219.600	Hakkari		
Aydın			Hatay		
Balıkesir	1	286.160	Iğdır	1	280.000
Bartın			Isparta	28	3.275.604
Batman	1	1.232	İstanbul	15	2.229.947
Bayburt			İzmir	5	254.360
Bilecik			Kahramanmaraş	14	3.954.354
Bingöl			Karabük	3	239.080
Bitlis	3	519.600	Karaman	5	229.928
Bolu	2	530.000	Kars		
Burdur	1	286.160	Kastamonu	1	1.144
Bursa	1	61.638	Kayseri		
Çanakkale	1	1.000	Kırıkkale	13	3.658.594
Çankırı	2	594.354	Kırklareli		
Çorum	1	1.144	Kırşehir		
Denizli			Kilis		
Diyarbakır	2	572.320	Kocaeli	1	1000

VENDORS		
Cities	Fine	Amount (TL)
Konya	11	783.272
Kütahya		
Malatya	8	593.000
Manisa	8	700.194
Mardin	3	902.548
Mersin	1	1.144
Muğla	8	1.135.255
Muş		
Nevşehir	4	670.194
Niğde	7	1.996.960
Ordu	20	1.869.932
Osmaniye	8	2.289.280
Rize		
Sakarya	5	1.114.194
Samsun	7	2.004.868
Siirt		
Sinop	1	1.144
Sivas		
Şanlıurfa	8	1.094.480
Şırnak	1	286.160
Tekirdağ		
Tokat		
Tunceli		
Trabzon	2	719.600
Uşak	1	286.160
Van	8	1.786.592
Yalova		
Yozgat	2	858.480
Zonguldak		
TOTAL	381	46.597.032

Table 45: Dispersion of the Fines Imposed in the LPG Market in 2011

On the other hand, 21 fines amounting to 6.402.294-TL were applied to storage, distributor and refining undertaking licensees in the LPG market in 2011. As a result of both detections and complaints and denouncements, audits were continued by the protocolarie institutions. Especially, audits

were made by the Gendermerie Headquarters together with Undersecretariat of Customs and Public Prosecutor's Office, at the facilities where illegal liquid fuel sale is made.

Institutions	Disbursed amount(TL)
Gendermarie Headquarters	1.500.000-TL
Security General Directorate	1.000.000-TL
Sahil Güvenlik Komutanlığı	2.200.000-TL
Ministry for Industry and Trade	2.000.000-TL
Undersecretariat fro Customs	300.000-TL
TÜBİTAK	17.000.000-TL
Analysis cost	5.500.000-TL
Total	29.500.000.-TL

Table 46: Disbursments to the Institutions in 2011

6. EXPROPRIATON, LEASING AND ESTABLISHMENT  
OF EASEMENT RIGHT

The expropriation demands of the generation and/or distribution license holders are evaluated by the Authority and if deemed appropriate or the activities in the Natural Gas and Petroleum Market Laws require so, expropriation is made by the Authority as per the provisions of the Expropriation Law no. 2942. Expropriation decisions in this respect shall be deemed as public benefit decisions. In such cases, the costs of expropriation and other costs shall be borne by the related license holder. In addition, Article 27 of the Expropriation Law No: 2942 shall be applied in the expropriations to be made by the Authority in order to speed up the energy investments.



## Part II Information on Activities

The ownership of the expropriated immovable shall be on the related public institution or organization holding the ownership of the generation or distribution facilities. In the absence of such an institution or organization the ownership shall be on the Treasury. The license holding corporate bodies performing generation or distribution activity in the market may file a request to the Authority for the establishment of right of easement, usage right or rent over the immovable owned by Treasury or under state control. If such request is deemed appropriate by the Authority, establishment of right of easement, usage right or rent agreement shall be signed among the Ministry of Finance and the license holding corporate bodies, limited with the license period. In these agreements, there shall be a provision stating that the validity period is limited with the license period. The liability to pay the cost of the establishment of right of easement, usage right or rent shall be on the license holding corporate body.

The immovable owned by public sector authorities or bodies except for the ones belonging to the Treasury and required for the generation and distribution activities performed by corporate bodies shall be procured as per the Article 30 of the Expropriation Law No:2942 by the Authority. These immovable shall belong to the related public authority or body having the ownership of the generation or distribution facility, in the absence of these shall belong to the Treasury.

For the acquisition of privately or state owned immovable required for the establishment of generation and distribution facilities in the electricity market, transmission, distribution and storage facilities in the natural gas market, refineries, licensed storage facilities, transmission lines in the petroleum market and establishment of right of easement or leasing for Treasury lands, the following activities were made in 2011:

In the electricity market:

- Expropriation procedures of 190 generation facilities (170 HES, 10 RES, 6 Thermic, 2 Biogas, 2 geothermal) planned to be established to operate in the electricity market.
- 195 expropriation decisions were taken to expropriate 66.160.459,90 m<sup>2</sup> of 24.568 immovables for 190 generation facilities planned to be established to operate in the electricity market.
- 66 Board Decisions were taken to transfer to the Treasury 2.338.829,27 m<sup>2</sup> of 474 immovables for generation facilities planned to be established to operate in the electricity market.
- 69 Board Decisions were taken for the establishment of easement right on 2.195.612,22 m<sup>2</sup> of 334 state owned immovables for the generation facilities planned to be established to operate in the electricity market.
- 14 Board Decisions were taken for leasing of the 3.150.291,17 m<sup>2</sup> of the 452 immovables owned by the state for the generation facilities planned to be established to operate in the electricity market.
- 93 Board Decisions were taken for establishment of easement right on 4.015.093,11 m<sup>2</sup> of 604 immovables owned by the Treasury for the generation facilities planned to be established to operate in the electricity market.
- 23 Board Decisions were taken for leasing of the 2.794.830,36 m<sup>2</sup> of 702 immovables owned by Treasury for the generation facilities planned to be established to operate in the electricity market.

- In 2011, 460 Board Decisions were taken for the procedures of acquisition of immovables such as expropriation, establishment of easement right, leasing etc. on 27134 immovables and 80.655.122,03 m<sup>2</sup> of land for the facilities planned to be established to operate in the electricity market.
- 44 expropriation decisions were taken for expropriating the 1.277.336,02 m<sup>2</sup> of 1547 immovables regarding the distribution facilities transferred to private law legal persons within the scope of privatization to operate in the electricity market.
- 19 Board Decisions were taken to apply the Art. 30 of Expropriation Law No:2942 on 9.561,10 m<sup>2</sup> of 65 immovables regarding the distribution facilities transferred to private law legal persons within the scope of privatization to operate in the electricity market.
- 25 board Decisions were taken for the establishment of easement right on 166.053,79 m<sup>2</sup> of 166 immovables owned by state and treasury regarding the distribution facilities transferred to private law legal persons within the scope of privatization to operate in the electricity market.
- 88 Board Decisions were taken for the procedures of acquisition of immovables such as expropriation, establishment of easement right, leasing etc. on 1.452.950,91 m<sup>2</sup> of 1.778 immovables regarding the distribution facilities transferred to private law legal persons within the scope of privatization to operate in the electricity market.

In the natural gas market:

- 15 expropriation decisions were taken to expropriate 37.464,98 m<sup>2</sup> of 98 immovables for the 14 distribution facilities planned to be established to operate in the natural gas market.
- 5 Board Decisions were taken for the establishment of easement right on 11.501,60 m<sup>2</sup> of 11 immovables owned by the treasury for the distribution facilities planned to be established to operate in the natural gas market.
- 3 Board Decisions were taken for the transfer of the 10583,87 m<sup>2</sup> of 6 immovables to treasury as per the Art. 30 of the Expropriation Law No: 2942 for the distribution facilities planned to be established to operate in the natural gas market.
- 23 Board Decisions were taken for the procedures of acquisition of immovables such as expropriation, establishment of easement right, leasing etc. on 115 immovables and 59.550,45 m<sup>2</sup> of land for the facilities planned to be established to operate in the natural gas market.

For the petroleum market;

- Land acquisition procedures of 1 refining undertaking, 3 storage facilities and 1 transmission facility are continuing.
- In 2011 571 Board Decisions were taken for the procedures of acquisition of immovables such as expropriation, establishment of easement right, leasing etc. on 30.127 immovables and land of total 82.167.623,39 m<sup>2</sup> for the facilities planned to be established to operate in the electricity, natural gas and petroleum markets.

## Part II Information on Activities

- In addition, in order to be used in the project studies of the license holding legal persons, 579 maps, 24 stereoscopic air photo and 1191 air photos were taken from the General Command of Mapping. Permission was obtained for taking 14 air photographs.

As of the end of 2011 pre-construction period procedures and land acquisition studies are being made for the 681 projects in electricity, natural gas and petroleum markets. The increase in the number of projects was 34% compared to 2010.

### 7. CONSUMER RIGHTS PROTECTION

In order to protect the consumers' rights; studies such as examining and concluding the complaints and applications, determining the standards, principles and procedures to be applied by the legal persons in their services, informing the public about the regulations and implementations in energy market and raising public awareness.

#### 7.1. Creating and Increasing Consumer Awareness

Within the scope of the studies for raising consumer awareness about regulations and implementations in the energy market and the rights and liabilities of the consumers; such information are submitted to the information of the consumers on the Authority's web page under the section "consumers".

#### 7.2. Evaluation of Consumer Complaints

The principles and procedures regarding the customer services to be provided by the distribution/retail sale license holding legal persons in the electricity market and the in-city natural gas distribution license holders in the natural gas

market are set forth in the "Electricity Market Customer Services Regulation" and "Natural Gas Distribution and Customer Services Regulation" respectively. However, the provisions on retail sale services other than the retail sale license holders are set forth within the scope of bilateral agreements.

The legal persons holding distribution/retail sale licenses liable for supplying energy in a non-discriminatory, adequate and sustainable way, are obliged to establish customer relations units to solve the problems faced when fulfilling their duties set forth in the current legislation on customer relations and are obliged to conclude the applications within set periods.

Consumers have the right to apply to the Authority in case satisfactory answers are not provided by the distributors. Within this framework, the applications filed to the Authority are examined together with the correspondences with the related legal person and concluded in line with the applicable legislation.

Consumer complaints and denunciations on liquid fuel and lubricants are made to the vendor and/or its supplier. In case no or unsatisfactory answers are received within thirty days, applications can be made to the Authority.

### 8. LEGAL WORKS

#### 8.1. Litigation Processes

The procedures of litigation to which the Authority is a party, are executed as per the "Regulation on Principles and Procedures on Litigations to which the Energy Market Regulatory Authority is a Party" adopted by the Board Decision dated 11.9.2003 and numbered 207/51. In 2011,

our authority was party to 6235 cases. 4487 of these cases are penal, 1181 of them are administrative, 567 were judicial cases.

#### 8.2. Giving Opinion

Opinions are provided to the service units of the Authority before the regulatory procedures such as legislation preparations and procedures which may cause disputes or may bind the Authority. Within this framework, opinions were provided on 181 subjects to the related units in 2011.

### 9. INTERNATIONAL RELATIONS

#### 9.1. Conferences and publicity activities

Conferences and publicity activities in foreign countries continued with an aim to strengthen our institutional capacity, represent our country in international platforms, increase knowledge and experience of our staff, follow the implementations in EU countries and to establish cooperation possibilities which will be beneficial for our country.

Within that scope, participations were made to the meetings, conferences, seminars, fairs and training programs organized by international organizations and regulators such as; Energy Regulators Regional Association (ERRA), Council of European Energy Regulators (CEER), Energy Community Regulatory Board (ECRB), International Energy Agency (IEA), European Regulators Group on Electricity and Gas (ERGEG), Energy Community Secretariat (ECS), Association of the Mediterranean Regulators for Electricity and Gas (MEDREG) and European Commission.

In 2011 81 short term study visits were made to various countries. Participation was made to the international

conferences and meetings in Turkey. In these meetings at home and abroad presentations were made on subjects such as; developments in Turkish energy sector, restructuring and privatization of the sector, liberalization process, energy policies, harmonization with EU, regional energy market, security of supply, cross border energy trade and renewable energy resources. Presentations were made on our country's energy sector, liberalization studies and our activities.

#### 9.2. Relations with Multilateral Organizations

Relations with multilateral organizations such as; Black Sea Economic Cooperation (BSEC), International Energy Agency (IEA), Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO) were carried on:

- The presidency of BSEC Energy Working Group will be on Turkey for 6 months as of July 2012. Our experts contributed to the studies regarding the energy markets and the contribution and support of EMRA will continue in national and international level.

The studies on "Baku Initiative" formed among Economic Cooperation Organization (ECO), Caspian region Cooperation Organization, EU and Black Sea, Caspian Sea and the neighbours have been followed and EMRA's views were submitted on the parts related to Turkey.

- Relations were carried on with Association of the Mediterranean Regulators for Electricity and Gas (MEDREG), aiming the establishment of a community among the regional energy regulators to create a regional energy market in the Mediterranean Region. Participation was made to the working group meetings.

## Part II Information on Activities

- Within the scope of relations with ERRA, participation was made to the ERRA General Assembly, Licensing/Competition Committee, Tariff/Pricing Committee, Law Working Group and EU Integration Working Group meetings and 9th Energy Regulation and Investment Conference. The staff of the authority assigned for the aforementioned committees and working groups had the chance to closely monitor the developments in other countries through meetings.
- In the General Assembly of ERRA held in 2008, Board Member Fatih Dönmez was selected as a member of the ERRA Board of Directors and the President Hasan Köktaş participated in the ERRA Chairmen Committee meetings and thus the relations with ERRA continued more closely. The Board of Directors membership of Fatih Dönmez will terminate on May 2012 and the studies for the candidacy of Board Member Alparslan Bayraktar for the new membership has started. Studies related to ERRA are announced on EMRA's website.
- A team comprised of EMRA staff became first in the "2011 ERRA Regulatory Authorities Competition."
- SLT, SEQ and SOM meetings held by IEA were closely monitored and participation was made to the meetings. Views and information were communicated in some examination issues addressed to our country by IEA and OECD.
- Relations with WTO were carried on under the coordination of Undersecretariat for Foreign Trade and Ministry of Foreign Affairs. The views of the Authority on issues related with the energy sector were communicated to the related parties. Within the scope of GATS

participation was made to the meetings on commitments in energy services inside and outside Turkey.

- Our high level representatives represented ERRA in the Security of Supply Working Group and MEDREG in Competitiveness Working Group of International Confederation of Energy Regulators (ICER) announced to be established in the 4th World Forum On Energy Regulation in Nov. 2009 in Athens.
- EMRA is in the International Energy Regulatory Network (IERN) and the 2011 data about the authority and the country was put on the web.
- Studies of ECRB established as per the Art. 58 of the Energy Community Agreement and comprised of the signatories and EU states' regulators were followed and contributions were made.
- Some initiatives were made to become an observer for the Agency for the cooperation of European Energy Regulators (ACER) established in the first quarter of 2010 and consisting of the EU member states' energy regulators.
- On 12 2011 application for candidacy for the organization of 6th World Forum on Energy to be held in 2015 was made with the support of Prime Minister Recep Tayyip Erdoğan, Minister of Energy and Natural Resources Taner Yıldız, Minister for Culture and Tourism Ertuğrul Günay, Governor of İstanbul Hüseyin Avni Mutlu and Mayor of İstanbul Metropolitan Municipality.

### 9.3. Relations with the European Union

The Authority has been conducting its relations with the European Union through General Secretariat for the

European Union Affairs, European Commission Delegation to Turkey, European Regulators Group for Electricity and Gas (ERGEG), INOGATE Program and MEDA Projects and Technical Assistance Information Exchange Office (TAIEX), Energy Community Secretariat (ECS) and Energy Regulators Regional Association (ERRA). Within that scope;

Participation and contributions were made to the Internal Coordination and Accord Committee meetings held in every three months for evaluating the developments in the negotiations and chapters. Communications were made with the TAIEX Office of EU with the coordination of EUGS for the implementation of current projects and support of new projects

Studies were made within the framework of the MATRA and G2G.NL Pre-Accession Projects applied by EU candidate countries and given by the government of Netherlands as grants.

Contributions are made to the studies conducted by institutions and organizations in various sectors for EU membership. Within the framework of the alignment of the energy legislation with the EU acquis, EMRA's opinion was formed for the updating of the Partnership Council Decision No:2/97.

On the other hand, within the framework of the 98/34 EC Regulation and Partnership Council Agreement aiming the notification of member countries about the changes in the technical regulations, such changes are examined and the views of EMRA were sent to Undersecretariat for Foreign Trade, the coordinating authority. In addition, studies were for the Pre-Accession Economic Program coordinated by UFT and the "Turkey's Progress Report" coordinated by EUGS.

Contributions were made in the preparation of the 2011-2013 Multi Year Indicative Planning Document (MIPD) which is a part of the Instrument for Pre-Accession (IPA) programming aiming to support the EU acquis alignment of Turkey within the scope of Turkey-EU Financial Cooperation process.

## 10. PRESS AND PUBLIC RELATIONS

### 10.1. Activities related to press

In 2011 the activities of following and evaluating the publications related with the energy sector and the Authority, answering the written or oral questions forwarded to our Authority and informing the public about electricity, natural gas, petroleum and LPG sector were continued.

News texts were prepared related with the activities of the Authority and public was informed through media, press statements were made and disclaimer texts were prepared when necessary. Board Decisions regarding the consumer rights were transformed into news format and public awareness was increased via press. In addition, articles were prepared to introduce the activities of the Authority to the sector supplements of economy newspapers

Study visits were made to private sector facilities with the participation of the press members, Chairman and the Board members in these regional study visits briefings were made by the related distribution companies. In addition meetings were held with the electricity distribution companies and members of parliament of the related cities.

10.2. Sector Meetings

One of the main objectives of the Authority is to ensure the establishment of a financially viable, stable and transparent market functioning as per the provisions of private law.

Such a market cannot be established without the views and demands of the market. The Authority's being in an egalitarian, fair and transparent attitude can only be ensured by taking the views of all market players. To this end, meeting were held with the representatives of private sector, public institutions and consumer representatives and their demands, expectations and views were discussed.

A conference and a reception for the 10th anniversary of EMRA was held with the participation of EMRA staff and sector participants.Promotional video of EMRA fort he 10th anniversary was prepared. Some cultural activities were organized.

EMRA came together with sector representatives on some meetings, symposiums and opening ceremonies in 2011.

10.3. Information Acquisition

The information requested from the Authority was provided to the related persons within the framework of the Law on Right of Information No: 4982 and the activities of the Prime Ministry Communications Center (BIMER) under the scope of the Prime Ministry Circular No: 2006/3. In 2011 3975 information acquisition demands were responded.



The income of the Authority constitutes the budget of the Authority. The income of the Authority should meet the expenses. The income surplus should be transferred to the general budget by the end of March of the following year. In this context, income surpluses that have been transferred from institutional resources to Ministry of Finance to be registered as income to general budget, according to 4628 and 5018 numbered Laws, have shown in the table hereunder;

Years	Within the year (3 months' periods)	End of year (In March of the following year)	Total (TL)
2001	-	22.306,00	22.306,00
2002	-	-	-
2003	-	17.992.437,17	17.992.437,17
2004	-	39.891.979,98	39.891.979,98
2005	-	91.351.575,70	91.351.575,70
2006	118.872.511,00	10.213.361,85	129.085.872,85
2007	26.316.184,86	43.563.569,34	69.879.754,20
2008	6.500.000,00	27.507.108,75	34.007.108,75
2009	10.000.000,00	25.560.370,79	35.560.370,79
2010	18.000.000,00	47.907.651,22	65.907.651,22
2011	27.500.000,00	27.474.743,68	54.974.743,68
<b>Toplam</b>	<b>207.188.695,86</b>	<b>331.485.104,39</b>	<b>538.673.800,25</b>

Table 47: Income Surplus Transferred to The Ministry of Finance by Years

### 1. Financial Audit

The Authority is subject to only the Articles of 3, 7, 8, 12, 15, 17, 18, 19, 25, 43, 47, 48, 49, 50, 51, 52, 53, 54, 68 and 76 of the Public Financial Management and Control Law No: 5018.

Within this framework, as per the Article 68 of the Law No. 5018, the external audit of the Authority is made by the Court of Accounts.

The purpose of the external audit made by the Court of Accounts is to examine the fiscal activities, decisions and transactions of the management in terms of compliance with the laws, institutional objectives and plans within the scope of the liability of accountability. The results of the audits are reported to the Turkish Grand National Assembly.

External audit consists of the evaluation of fiscal audit of the reliability and accountability of the fiscal tables and the compliance of the fiscal transactions of the Authority with the laws and other legislation, whether or not the public sources are used effectively and economically, evaluation of the performance and results of activities.

### 2. 2011 Budget Implementation Results

2011 budget of the Authority was accepted in the Turkish Grand National Assembly became effective as of 01.01.2011 upon publication in the Official Gazette dated 31.12.2010 and numbered 27802.

#### 2.1. Income Budget

The budget income for 2011 was projected to be 103.595.000-TL and 137.378.368,43-TL income was obtained. The rate of realization of income budget was 132,61%.

The income of the Authority consists of the following elements stated in Article 10 of the Law No: 4628:

- License (annual license, granting, renewal, modification and getting a copy of the license), certificate, approval, permission and visa transaction costs.

- Contribution fee.

There is no contribution fee in the electricity market, the payer of the contribution fee in the natural gas market are the legal persons holding licenses and certificates. Contribution fee is calculated by multiplying contribution fee rate determined by the Authority not exceeding 2% of the net sale

proceeds amounts in the revenue tables to be prepared by the payer pertaining to the annual activity period.

The payers of the contribution fee in the petroleum market are the real or legal persons holding refining, processing, distributor, transmission, transportation, bunker, storage, vendorship and lube oil production licenses. Joint license holders pay the contribution fee according to their net sale.

The payers of the contribution fee in the LPG market are the real or legal persons holding production of petroleum market, distribution of LPG market, filling and auto gas vendorship in LPG market licenses. The license or joint license holders operating in the LPG market pay the contribution fee according to their total net liquid fuel or LPG sale.

However, contribution fee pertaining to petroleum and LPG markets are determined by the Board not exceeding 1% of the amount of net sale in the license holders' annual revenue tables and not exceeding two million USD.

- Transmission surcharge at a rate of maximum 1% of the electricity market transmission tariff.
- 25% of the administrative fines imposed by the Board pertaining to the electricity market

This proportion was reduced with 479. Article of Law numbered 5728 by publishing on Official Gazette numbered 26781 on 08/02/1008, as per amendment in the sixth paragraph of the Article 11 of the Electricity Marker Law No: 4628, such as; "10% of the administrative fines imposed and collected as per the provisions of this Law shall be deposited into account of the Authority."

- Publication revenues and other revenues,
- Grants to be provided by the international organizations or institutions to be used in the financing of the preliminary studies and project studies pertaining to market development provided that the details are announced to the public.

From the aforementioned revenue items in 2011;

With the Board Decision dated 26.08.2010 and numbered 2736 published in the Official Gazette dated 03.09.2010 and numbered 27691, the fees for getting a license, annual license, license renewal, modification and getting a copy of the license in the electricity market,

With the Board Decisions dated 21.12.2010 and numbered 2945,2948 and 2950 published in the Official Gazette dated 28.12.2010 and numbered 27799, getting a license, annual license, license renewal, modification, getting a copy, tariff approval and liquid fuel trade permission fees pertaining to natural gas, petroleum and LPG markets,

With the Board Decision dated 21.12.2010 and numbered 2946 published in the Official Gazette dated 28.12.2010 and numbered 27799 the fees for getting a certificate, certificate renewal, modification, getting a copy of the certificate and visa in the natural gas market,

With the Board Decisions dated 21.12.2010 and numbered 2947, 2949, 2951 and published in the Official Gazette dated 28.12.2010 and numbered 27799 contribution fees in the natural gas, petroleum and LPG markets, were determined.

Electricity market transmission surcharge : was determined to be 0,5% of the TEİAŞ transmission tariff with the Board Decision dated 13.10.2010 and numbered 27728 published in the Official Gazette dated 06.10.2010 and numbered 2812.

2.2. Expenditure Budget

2009 expenditure budget of the Authority was projected to be 103.595.000-TL but Ministry of Finance added 27.000.000-TL appropriation as surplus revenue to the 'shares given to the general budget' code as per the article 78 of the Public Fiscal Management Control Law and the to total expenditure budget increased to 130.595.000-TL. 109.904.138,72-TL of the total

appropriation was spent and the remaining 20.690.861,28-TL was cancelled at the end of the year. Thus expenditure budget realization rate was 84,16 %. In the following tables, the

balance sheet of the Authority as of the end of 2010 and the results of activities between the dates 01.01.2011-31.12.2011 are shown:

ENERGY MARKET REGULATORY AUTHORITY BALANCE SHEET									
ASSETS					31.12.2011		LIABILITIES (TL)		
<b>I- REVOLVING ASSETS</b>					33.008.825,38		<b>I- SHORT TERM FOREIGN SOURCES</b>		
10- READY ASSETS							32- ACTIVITY DEBTS		5.534.081,70
102- Bank Account	31.219.751,04	31.219.751,04					320- Budget Trust Account	1.006.950,04	1.006.950,04
12- ACTIVITY RECEIVABLES		26.898,83					33- TRUST LIABILITIES	3.719.123,88	
126- Granted Deposits and Indemnities	26.898,83						330- Received Deposits and Indemnities	54.088,84	
14- OTHER RECEIVABLES		53.885,51					333- Trust Account	3.665.035,04	
140- Accounts for receivables from persons	53.885,51						36- OTHER LIABILITIES PAYABLE	808.007,78	
16- OUT OF BUDGET ADVANCE PAYMENTS AND LOANS ACCOUNTS		1.708.290,00					360- Taxes and funds payable	808.007,78	
162- Out of budget advance payments and loans accounts	1.708.290,00								
<b>II- FIXED ASSETS</b>					0,00		<b>II - LONG TERM FOREIGN SOURCES</b>		
25- TANGIBLE FIXED ASSETS		0,00					40- LONG TERM FISCAL DUES	0,00	0,00
252- Account for buildings	13.101.419,44						403- Fiscal Dues to Public Administrations Account	0,00	
254- Account for vehicles	123.113,87								
255- Furniture and fixtures account	9.784.460,09						<b>III - EQUITY CAPITAL</b>		
257- Cumulated Depreciation Account (-)	-23.008.993,40						59- PERIOD ACTIVITY RESULTS	27.474.743,68	27.474.743,68
26- INTANGIBLE FIXED ASSETS		0,00					590- Period Pozitive Activity Result Account	27.474.743,68	
260- Account for rights	2.179.012,09								
268- Cumulated Depreciation Account (-)	-2.179.012,09								
<b>TOTAL ASSETS</b>					33.008.825,38		<b>TOTAL LIABILITIES</b>		
<b>MEMORANSUM ACCOUNTS</b>							<b>MEMORANDUM ACCOUNTS</b>		
91- NON-CASH SECURITY AND PERSONAL SECURITY.		2.759.589.413,91					91- NON-CASH SECURITY AND PERSONAL SECURITY.	2.759.589.413,91	
910- Letters of guarantee account	2.759.589.413,91						911- Letters of guarantee account	2.759.589.413,91	
<b>TOTAL MEMORANDUM ACCOUNTS</b>					2.759.589.413,91		<b>TOTAL MEMORANDUM ACCOUNTS</b>		
<b>TOTAL</b>					2.792.598.239,29		<b>TOTAL</b>		

ENERGY MARKET REGULATORY AUTHORITY

EXPENSE		
630 01	Staff Expenses	30.235.072,51
630 02	Social Security Institutions	3.016.916,60
630 03	Procurement of Goods and Services	46.985.560,95
630 03 02	Procurement of consumption goods equipment	1.455.642,96
630 03 03	Transportation allowances	1.097.596,39
630 03 04	Duty allowances	203.496,99
630 03 05	Procurement of service	43.985.693,78
630 03 06	Representation and publicity	35.679,44
630 03 07	Movable, intangible right procurement, repair and maintenance	200.091,15
630 03 08	Immovable goods maintenance and repair	7.360,24
630 03 09	Health care and funeral	0,00
630 04	Interest expenses	85,07
630 05	Current transfers	28.582.165,74
630 05 01	Duty losses	924.519,41
630 05 03	Transfers ton on-profit organizations	149.725,85
630 05 06	Transfers to foreign countries	7.920,48
630 05 08	Shares allocated from the income	27.500.000,00
630 12	Expenses stemming form the rejection and return of the income	713.361,67
630 13	Depreciation expenses	1.084.337,85
TOTAL EXPENSES (A)		110.617.500,39

RESULT OF ACTIVITY TABLE 01.01.2011-31.12.2011

INCOME		
600 03	Enterprise and ownership	127.152.166,30
600 03 01	Sale of goods and services	30.200,00
600 03 02	Permission for use or operation of goods	127.121.966,30
600 03 02 01 10	Electricity market licensing	42.606.294,58
600 03 02 01 11	Natural gas market licensing and certification	21.414.679,21
600 03 02 01 12	Petroleum market licensing	48.499.072,95
600 03 02 01 13	LPG market licensing	14.601.919,56
600 05	Other	12.145.738,58
600 05 01	Interest revenues	864.040,21
600 05 01 09 03	Deposit rates	864.040,21
600 05 02	Fees collected from persons and institutions	9.135.918,63
600 05 02 09 99	Other fees (TEİAŞ)	9.135.918,63
600 05 09	Other revenues	2.145.779,74
600 05 09 01 99	Other various revenues not defined above	2.145.779,74
600 11	Revenues from changes in value and amount	513,97
TOTAL INCOME (B)		139.298.418,85
TYPES OF DISCOUNTS AND RETURNS		
610 3	Enterprice and ownership	
610 3 2 1	Permission for use or operation of goods.	
610 3 2 1 10	Electricity market licensing	878.971,50
610 3 2 1 11	Natural gas market licensing and certification	14.961,28
610 3 2 1 12	Petroleum market licensing	272.242,00
610 3 2 1 13	LPG market licensing	40.000,00
TOTAL DISCOUNTS AND RETURNS ( C)		1.206.174,78
NET INCOME (D=B - C)		138.092.244,07
RESULT OF ACTIVITY (B-A) (+/-)		27.474.743,68



## Part III Financial Information

### 3. Costs to be Applied in the Following Year (2011)

The costs to be applied in the following year are determined by Board Decision and published in the Official Gazette.

Accordingly the following costs were re-determined;

The costs to be applied in 2012 in the electricity market for getting license, annual license, license renewal, license modification and getting a copy of the license; with the Board Decision dated 18.08.2011 and numbered 28042 published in the Official Gazette dated 02.09.2011 and numbered 28042,

The costs to be applied in 2012 in the natural gas, petroleum and LPG markets for getting license, annual license, license renewal, license modification and getting a copy of the license, tariff approval and liquid fuel trade permission; with the Board Decisions dated 27.12.2011 and numbered 3592, 3594 and 3595 published in the Official Gazette dated 31.12.2011 and numbered 28159,

The costs to be applied in 2012 in the natural gas market for getting certificate, certificate renewal, certificate modification, getting a copy of the certificate and getting a certificate visa; with the Board Decision dated 27.12.2011 and numbered 3591 published in the Official Gazette dated 31.12.2011 and numbered 28159,

The contribution fees to be applied in 2012 for the natural gas market with the Board Decision dated 27.12.2011 and numbered 3593 and published in the Official Gazette dated 31.12.2011 and numbered 28159.

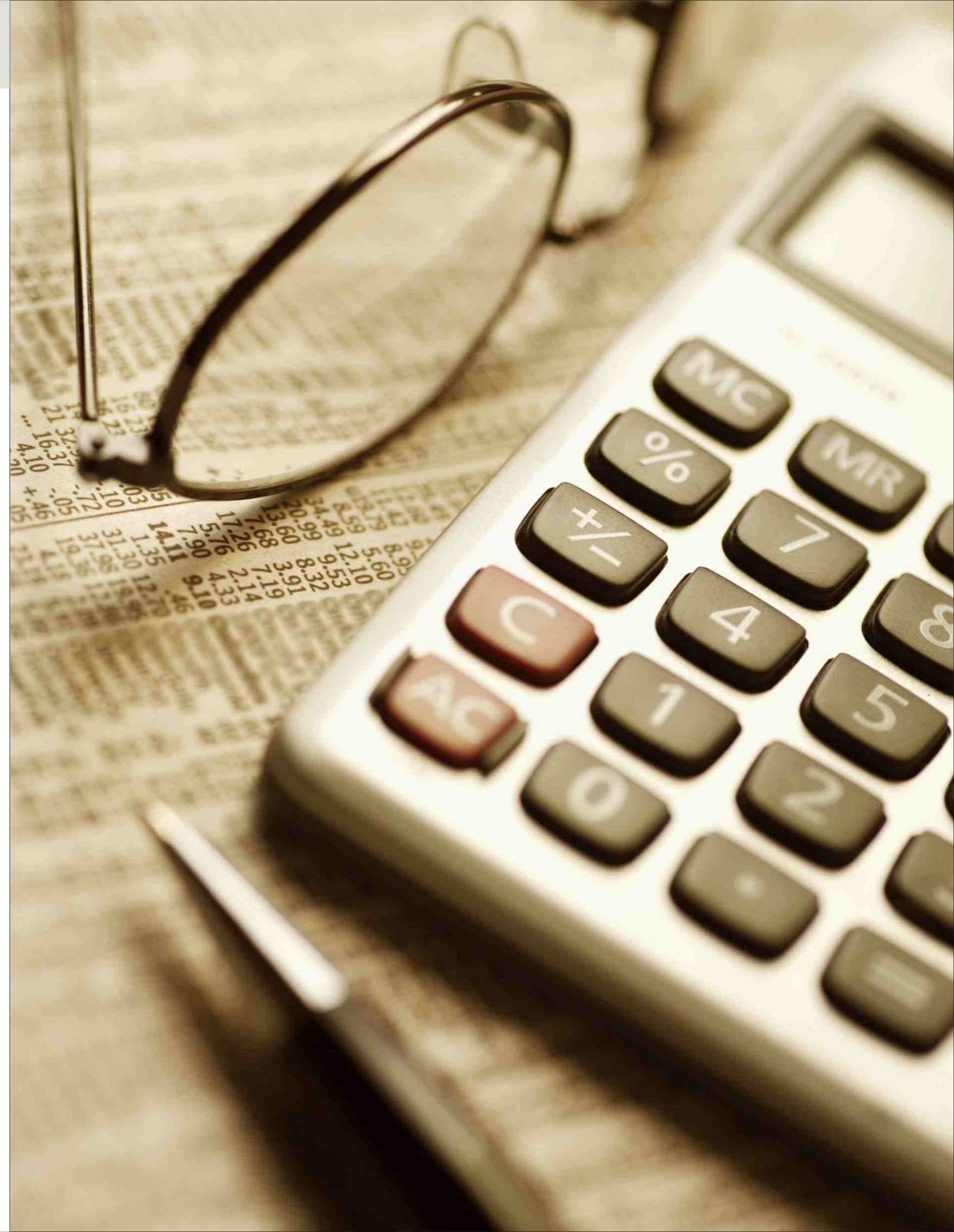
The transmission surcharge to be applied in 2012 was determined with the Board Decision dated 22.12.2011 and numbered 3575 published in the Official Gazette dated 31.12.2011 and numbered 28159.

In addition, As the Authority is subject to the provisions of the

Law on Misdemeanors No: 5326, in the seventh paragraph of the Article 17 of the same Law there is the provision of 'Administrative fines shall be applied for each year starting from the beginning of each calendar year, by increasing in the ratio of the revised valuation determined and announced as per the provisions of the bis Art.298 of the Tax Procedure Law No.213 and dated 04.01.1961.'

Within this framework, the revised valuation for 2011 was determined and announced to be 10,26% with the Ministry of Finance's General Communiqué on Tax Procedure Law No:392 published in the Official Gazette dated 17.11.2011 and numbered 28115. Accordingly the administrative fines in the market laws were increased and the related communiqués were published in the Official Gazette dated 23.12.2011 and numbered 28151. These communiqués are namely;

- Communiqué on the Fines to be Applied in 2012 as per the Article 11 of the Electricity Market Law.
- Communiqué on the Fines to be Applied in 2012 as per the Article 9 of the Law amending the Electricity Market Law and the Natural Gas Market Law.
- Communiqué on the Fines to be Applied in 2012 as per the Article 19 of the Petroleum Market Law.
- Communiqué on the Fines to be Applied in 2012 as per the Article 16 of the Law Amending the Liquefied Petroleum Gases (LPG) Market Law and the Electricity Market Law.





# Annexes

## ANNEX: 1- List of Legislation

### ELECTRICITY MARKET

#### Law

- Electricity Market Law

#### Regulations

- Electricity Market Licensing Regulation
- Electricity Market Tariffs Regulation
- Electricity Market Customer Services Regulation
- Electricity Market Eligible Consumer Regulation
- Electricity Market Import and Export Regulation
- Electricity Market Network Regulation
- Electricity Market Distribution Regulation
- Electricity Market Balancing and Settlement Regulation
- Principles and Procedures tegarding the profile implementation to be used in the reconcilliation calculations as per the Electricity Market Balancing and Settlement Regulation
- Electricity Transmission System Supply Reliability and Quality Regulation
- Regulation on Electricity Demand Forecast
- Regulation on principles and Procedures for Granting Renewable Energy Resource Document
- Regulation on Supply Sustainability, Commercial and Technical Quality of the Electricity Power Supplied in the Distribution System in Electricity Market
- Regulation on the Principles and Procedures to be Applied in the Audits, Pre-Investigations and Interrogations to be made in the Electricity Market
- Regulation on the Modifications to be made in the Existing Contracts of the Legal Persons Performing more than one Market Activity in the Electricity Market and on the Transfer of Transmission Activity and Relinquished Activities.

- Regulation on the Electricity Market Activities of the Organized Industrial Zones
- Regulation on Arranging the Investments in Electricity Market Distribution System and Controlling the Realization of the Plans
- Electricity Market Ancillary Services Regulation
- Electricity Market Lighting Regulation
- Regulation on Exempted Generation in the Electricity Market.

#### Communiqués

- Communiqué Regarding the Revenue Arrangement for the First Implementation Period of the 20 Distribution
- Communiqué on Price Equalization Mechanism to be Applied in the Electricity Distribution Regions
- Communiqué on Preparation of Retail Contract in the Electricity Market.
- Communiqué on Principles and Procedures for Selection in the Existence of More than One Application for Generation of Electricity from the Same Source in the Same Region
- Communiqué on the Principles and Procedures for Financial Settlement in the Electricity Market
- Communiqué on Connection to the Transmission and Distribution Systems and Use of System in the Electricity Market
- Communiqué on the Meters to be used in the Electricity Market
- Communiqué on Wind and Solar Measurements
- Communiqués of Electricity Market Tariffs Regulation
- Communiqué on the Fines to be Applied as per the Article 11 of the Electricity Market Law

### NATURAL GAS MARKET

#### Law

- Natural Gas Market Law

#### Regulations

- Natural Gas Market Licensing Regulation
- Natural Gas Market Certification Regulation
- Natural Gas Market Distribution and Customer Services Regulation
- Natural Gas Market Tariffs Regulation
- Natural Gas Market Facilities Regulation
- Natural Gas Market Transmission Network Operation Regulation
- Natural Gas Market Internal Installations Regulation
- Regulation on the Principles and Procedures to be Applied in the Audits, Pre-Investigations and Interrogations to be made in the Natural Gas Market

#### Communiqués

- Principles and Procedures of the Connections to be made to the Natural Gas Market Transmission Network
- Principles and procedures applicable in case of illegal or incompliant use of natural gas
- Communiqué on LNG Transmission
- Communiqué on the Principles of Determining and Pricing the Sale Amount of Natural Gas subject to invoicing
- General Communiqué on Accounting Implementations and Financial Reporting( No:2002/1)
- Communiqué on the Fines to be Applied as per the Article 9 of the Natural Gas Market Law

### LPG MARKET

#### Law

- Liquefied Petroleum Gases Market (LPG) Law

#### Regulations

- Liquefied Petroleum Gases (LPG) Market Licensing Regulation
- Liquefied Petroleum Gases (LPG) Market Responsible Director Regulation
- Liquefied Petroleum Gases (LPG) Market Training Regulation

- Regulation on the Technical Arrangements to be Applied in the Liquefied Petroleum Gases (LPG) Market
- Regulation on the Principles and Procedures to be Applied in the Audits, Pre-Investigations and Interrogations to be made in the Liquefied Petroleum Gases (LPG) Market

#### Communiqués

- Communiqué on the Fines to be Applied as per the Article 16 of the Law Amending the Liquefied Petroleum Gases (LPG) Market Law and Electricity Market Law

# Annexes

## ANNEX: 1- List of Legislation

### PETROLEUM MARKET

#### Law

- Petroleum Market Law

#### Regulations

- Petroleum Market Licensing Regulation
- Regulation on the Technical Criteria to be applied in the Petroleum Market
- Regulation on the Implementation of National Marker in the Petroleum Market
- Regulation on the Principles and Procedures to be Applied in the Audits, Pre-Investigations and Interrogations to be made in the Petroleum Market
- Regulation on the Principles and Procedures for Determining and Elimination of Illegal Petroleum
- Petroleum Market Information System Regulation
- Petroleum Market Pricing System Regulation

#### Communiqués

- Amending Communiqué to the Communiqué on the Packing and Placing on the market of the Lubricants
- Communiqué on the Packing and Placing on the market of the lubricants
- Repealing Communiqué to the Communiqué on the principles and procedures regarding the import of petroleum products other than liquid fuels
- Repealing Communiqué to the Communiqué on the principles and procedures to be applied in the domestic sale of some Petroleum products other than liquid fuel produced domestically.
- Communiqué on the Fines to be Applied as per the Article 19 of the Petroleum Market Law

- Communiqué on the Insurance Liabilities in the Petroleum Market
- Technical Regulation Communiqué on Production, Procurement from Domestic and Foreign Resources and Placing on the Market of the Fuel Biodiesel (Liquid Fuel Serial No: 3)
- Technical Regulation Communiqué on Production, Procurement from Domestic and Foreign Resources and Placing on the Market of the Fuel Naphtha (Liquid Fuel Serial No: 9)
- Technical Regulation Communiqué on Benzene Types (Liquid fuel Serial No:14)
- Technical Regulation Communiqué on Diesel (Liquid fuel Serial No:15)
- Technical Regulation Communiqué on Gas oil (Liquid fuel Serial No:16)
- Technical Regulation Communiqué on Fuel oil Types (Liquid fuel Serial No:17)
- Technical Regulation Communiqué on Autobiobdiesel(Liquid fuel Serial No:18)
- Amending Communiqué to the Technical Regulation Communiqué on diesel types (Liquid fuel serial No: 19)
- Amending Communiqué to the Technical Regulation Communiqué on Autobiobdiesel(Liquid fuel Serial No: 20)
- Technical Regulation Communiqué on Marine Fuels (Bunker serial No: 2)
- Amending Regulation to the Technical Regulation Communiqué on Marine Fuels (Bunker serial i No: 3)



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