



CYPRUS ENERGY REGULATORY AUTHORITY (CERA)

**Report to the European Commission
in line with the Electricity and Gas Directives
for the period July 2006 to July 2007**

July 2007

**REPORT TO THE EUROPEAN COMMISSION
IN LINE WITH ELECTRICITY AND GAS DIRECTIVES
FOR THE PERIOD JULY 2006 TO JULY 2007**

1 FOREWORD

The Cyprus Energy Regulatory Authority (CERA) was established by virtue of the Law on Regulating the Electricity Market of 2003 N.122(I)/2003, which was enacted by the House of Representatives on 25 July 2003, for harmonisation purposes with the Aquis Communautaire. This Law establishes CERA also as the Authority responsible for Regulating the Natural Gas Market. The relevant Directive was transposed into national Law by Law 183(I)/2004. The Members of CERA were appointed on 21 January 2004 and took up their duties on 4 February 2004 after giving the prescribed affirmation for the faithful execution of their duties, to the President of the Republic of Cyprus.

The present Report covers the period from July 2006 to July 2007 and is the third one to be issued.

In reading this Report one should bear in mind that Cyprus operates under the provisions of the Directive, for "Small Isolated Systems".

The establishment of the Cyprus Energy Regulatory Authority (CERA) and the appointment of the Transmission System Operator (TSO) during 2004 constitute two very important events in the field of Energy, a field that prior to the entry of Cyprus into the European Union (EU), had a purely monopolistic character. It was and still is among the basic priorities of Cyprus to get fully harmonised with the Acquis Communautaire in the field of Energy. This process passes through a series of actions, the most important being the one that aims at a healthy competition with the abolition of monopolistic attitudes and conduct.

One of the urgent priorities of CERA was the opening of the Electricity Market. This was achieved and the Electricity Market was liberalised by 35% on 1st May 2004.

This percentage now includes the 726 biggest electricity consumers in Cyprus, each of whom consumes at least 350,000 kilowatt-hours per year. The annual electricity bill of these 726 consumers amounts to about CY£85 (€145) million. These consumers are now free to select the Supplier that will supply them with electricity. In the next few years the market will be liberalised 100% as the ultimate target is for all consumers of electrical energy to be able to select their Supplier according to what is in their best interest.

During 2005, the Electrical Energy Sector in Cyprus has its own historical landmark. In this period the important event was the issue of New Licences for the Construction and Operation of Power Stations for the Generation of Electricity. By this development, the monopoly regime which existed for more than half century, comes to an end.

It now remains for the Projects to materialise so that their unhindered access to the Electricity Network may follow. This will allow Eligible Consumers the free choice of their Supplier which is the essence of free competition in the Energy Market. CERA, is also giving due importance to the matter of rational and gradual liberalisation of the Electricity Market in order not to upset the smooth operation of the Market.

The securing of the quality and reliability of Electrical Energy was amongst the top priorities of CERA while creating favourable conditions to promote the use of Renewable Sources of Energy.

Furthermore, new Regulations were prepared by CERA and approved by Parliament safeguarding consumers' rights, namely the Regulations on the Procedure for Submitting Complaints, and the Performance Indicators Regulations.

During 2006, the Electrical Energy Sector takes further important steps in regulating the Market. Regulatory Decisions were issued by CERA on the Methodology of Electricity Tariffs. At the same time, in depth discussions, meetings and deliberations are constantly in process with all parties involved in the Energy Sector on various important itemised issues among which were:

- The unbundling of the EAC accounts in order to establish the actual cost of the services rendered by EAC, the vertically integrated electricity undertaking, minimise the possibility of cross subsidies between its activities resulting in eventual lowering of the prices of electricity,
- the Market Rules, which were prepared the TSO and submitted to CERA for approval. CERA gave unofficial approval but requested their simplification which is expected to be finalised in 2007,
- the Transmission and Distribution System Rules, already revised once, being further revised
- the connection and use charges of the Transmission and Distribution System.

Until now 41 applications for Licences for electricity generating Power Stations were approved, 29 of which were for generating Power Stations by Renewable Energy Sources (total capacity 465,24MW). The effort is to promote generation of electricity by RES, faced with complex and time consuming procedures as we aim at the target of the 6% generation by 2010.

Furthermore, new legislation was introduced regarding the promotion of cogeneration and RES, incorporating the relevant Directives' suggestions among others, of certification of origin of electricity from above sources and their access priority onto the electrical system.

Although Natural Gas is still not available on the island, all necessary Regulations were enacted to complete the Legal framework on Regulating the Natural Gas Market. On the subject a Ministerial Directive was issued defining the natural gas as the primary fuel for generation of electricity by sizeable capacity installations.

Additionally, CERA has prepared draft bills amending the Laws in order to fully transpose the Directives 2003/55/EC (Article 22- New Infrastructure) and 2004/67/EC into the national Laws, which have been forwarded to the Office of the Attorney General for their conformity to the legal, technical aspects, before they are forwarded to the Council of Ministers and the Parliament for approval. It is expected that the proposed amended Laws will be approved by the end of 2007-beginning of 2008.

It would be an omission not to thank all those who helped CERA in its first years by offering their cooperation and assistance. These definitely include ERGEG and CEER. The bridges of communication built and the cooperation and common understanding between everybody involved help greatly the work of CERA.

COSTAS IOANNOU

Chairman

Cyprus Energy Regulatory Authority

2 SUMMARY \ MAJOR DEVELOPMENTS IN THE LAST YEAR

2.1 Basic Organisational Structure of the Regulatory Agency

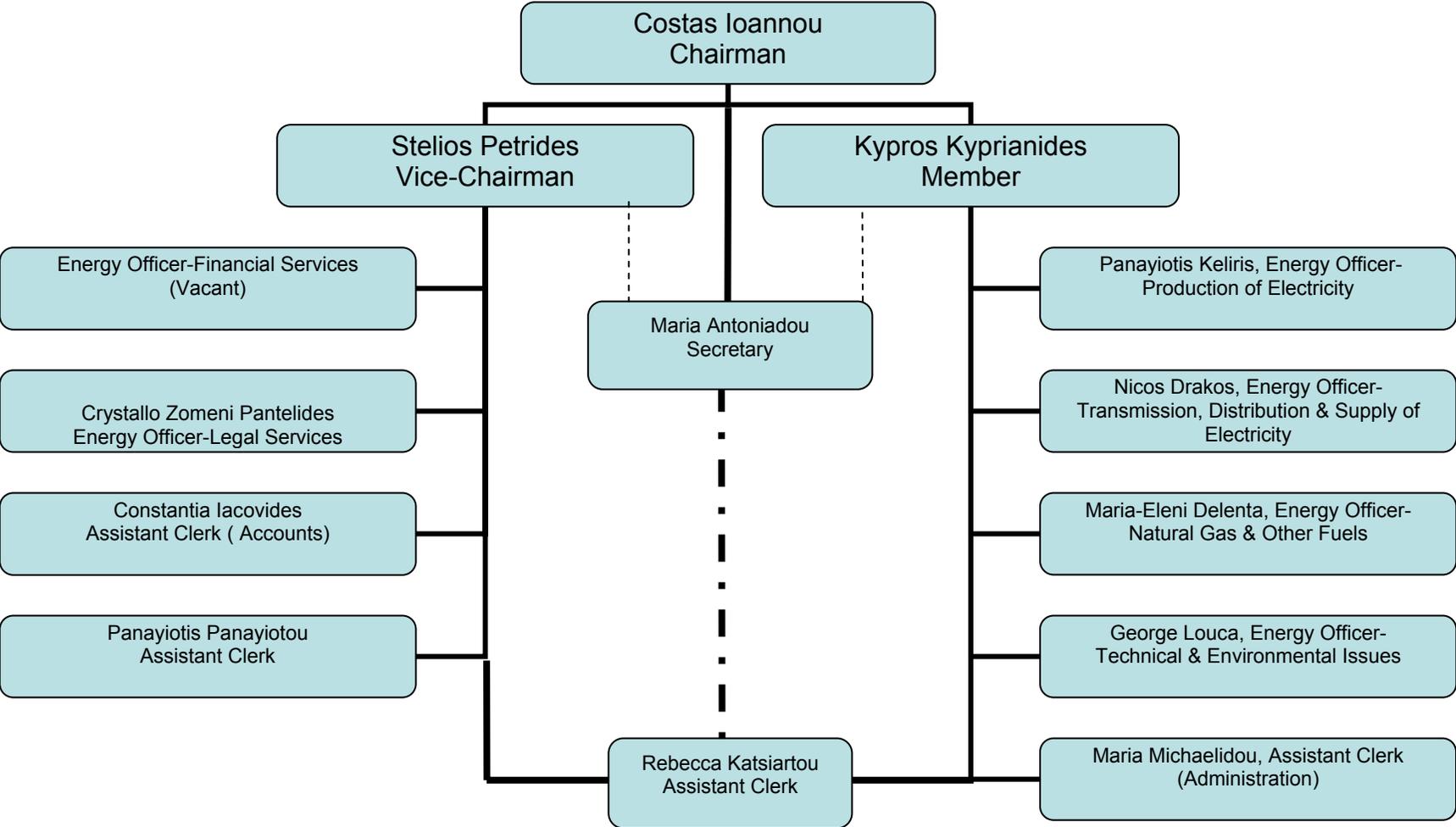
2.1.1 Composition of Regulatory Authority

The Cyprus Energy Regulatory Authority (CERA) has three Members who were appointed on 21 January 2004 for a 6-year term by the Council of Ministers. The Cyprus Energy Regulatory Authority consists of:

- | | | |
|-----|--------------------|---------------|
| (a) | Costas Ioannou | Chairman |
| (b) | Stelios Petrides | Vice-Chairman |
| (c) | Kypros Kyprianides | Member |

(Refer to the organogram of CERA shown on page 7)

Cyprus Energy Regulatory Authority (CERA) – Organogram 2007



2.1.2 Main Statutory Objectives

The main statutory objectives of CERA are set out below:

- To encourage, promote and safeguard the healthy and essential competition in the Electricity and Natural Gas Markets.
- To protect Consumers' interests.
- To promote the development of economically viable and efficient Electricity and Natural Gas Markets.
- To ensure the Security, Continuation, Quality and Reliability of Electricity Supply.
- To take into consideration the Protection of the Environment.
- To encourage the efficient generation and use of Electricity.
- To promote the use of Renewable Energy Sources (RES).

2.1.3 Main Enforcement Powers

The Cyprus Energy Regulatory Authority is an independent authority of the Republic of Cyprus and has executive powers and competences in the Energy Field.

Among others, CERA has the following powers and competences:

Electrical Energy

- Issues, controls, enforces, amends and revokes Licences to Generate and Supply of Electricity.
- Advises the Minister* in all subjects relating to electricity.
- Ensures that the Rules for the Transmission and Distribution and the Rules for the Electricity Market are prepared and approved in accordance with the Law.
- Safeguards the adequacy in electrical energy for the satisfaction of all reasonable needs and demands for electricity.
- Regulates tariffs, charges and other conditions and presuppositions which are imposed on the Licence Holders for any services offered in accordance with the conditions of their Licences.
- Determines, publicises and enforces quality standards with which the Licence Holders must comply.
- Determines the rules and the procedures according to which complaints are examined which relate to services offered by the Licence Holders including, when it considers it appropriate, the carrying out of investigations and the taking of decisions for such complaints.
- Encourages and facilitates competition with the ultimate target of lowering of prices.
- Protects the interests of the consumers.

* *In this Report Minister / Ministry refers to the Minister / Ministry of Commerce, Industry and Tourism*

- Ensures the Continuation, Quality, Reliability and Security of Electricity Supply.
- Protects the Environment.
- Encourages the use of Renewable Energy Sources (RES)
- Encourages Research and Development in the field.
- Ensures that the Licence Holders operate efficiently and have the ability to finance the business activities for which they are licenced.
- Promotes the development of an economically viable and efficient electricity market.
- Takes into consideration the needs of the consumers of rural areas, the consumers who are in a disadvantageous position and the elderly.

Natural gas

- Issues, controls, amends, suspends and revokes Licences for the Import, Storage, Distribution and Supply of Natural Gas.
- Approves the conditions and presuppositions for the connection and access to the network, including the transmission and distribution tariffs as well as the conditions, presuppositions and tariffs for access to the installations of Liquefied Natural Gas.
- Determines the rules for the management and the distribution potential of interconnection, in consultation with the appropriate authority or authorities of the Member States with which there is interconnection.
- Sets up or approves mechanisms to face the congestion in the natural gas network.
- Protects the interests of natural gas consumers.
- Regulates tariff rates, charges and other conditions and presuppositions imposed on the Licence Holders for any offered service based on the conditions of their Licences.
- Enacts, publishes and puts into force Regulations for quality standards with which the Licence Holders must comply.
- Takes suitable and effective measures for control and transparency, so as to avoid possible misuse of dominant positions, to the detriment of consumers.
- Safeguards the observance of the competition rules in the field of transmission, distribution, storage and supply of natural gas.
- Safeguards the satisfaction of the demand for natural gas.
- Ensures that the Licence Holders are able to finance the business for which a Licence is issued.
- Promotes the development of an economically strong and effective natural gas market.
- Safeguards the Safety, Continuity, Quality and Effectiveness in the supply of natural gas.
- Protects the environment.
- Encourages the research and development regarding the transmission, distribution, storage, supply and use of natural gas.

It is also the duty of CERA to:

- Safeguard and publicise measures which may be taken in case of unforeseeable crisis in the energy field, or when there is a danger to the safety of people, works, installations or the integrity of the networks, and
- Follow up the issues of security of the supply, and especially the balance of supply and demand in the market, the level of the expected future demand and the available plant, as well as the level of competition in the market.

During the execution of its duties, CERA takes the necessary measures to comply with the Public Service Obligations. The ultimate aim of CERA is to protect in the best possible way the interests of Energy Consumers, but at the same time to protect the public interest.

2.1.4 Independence and Accountability

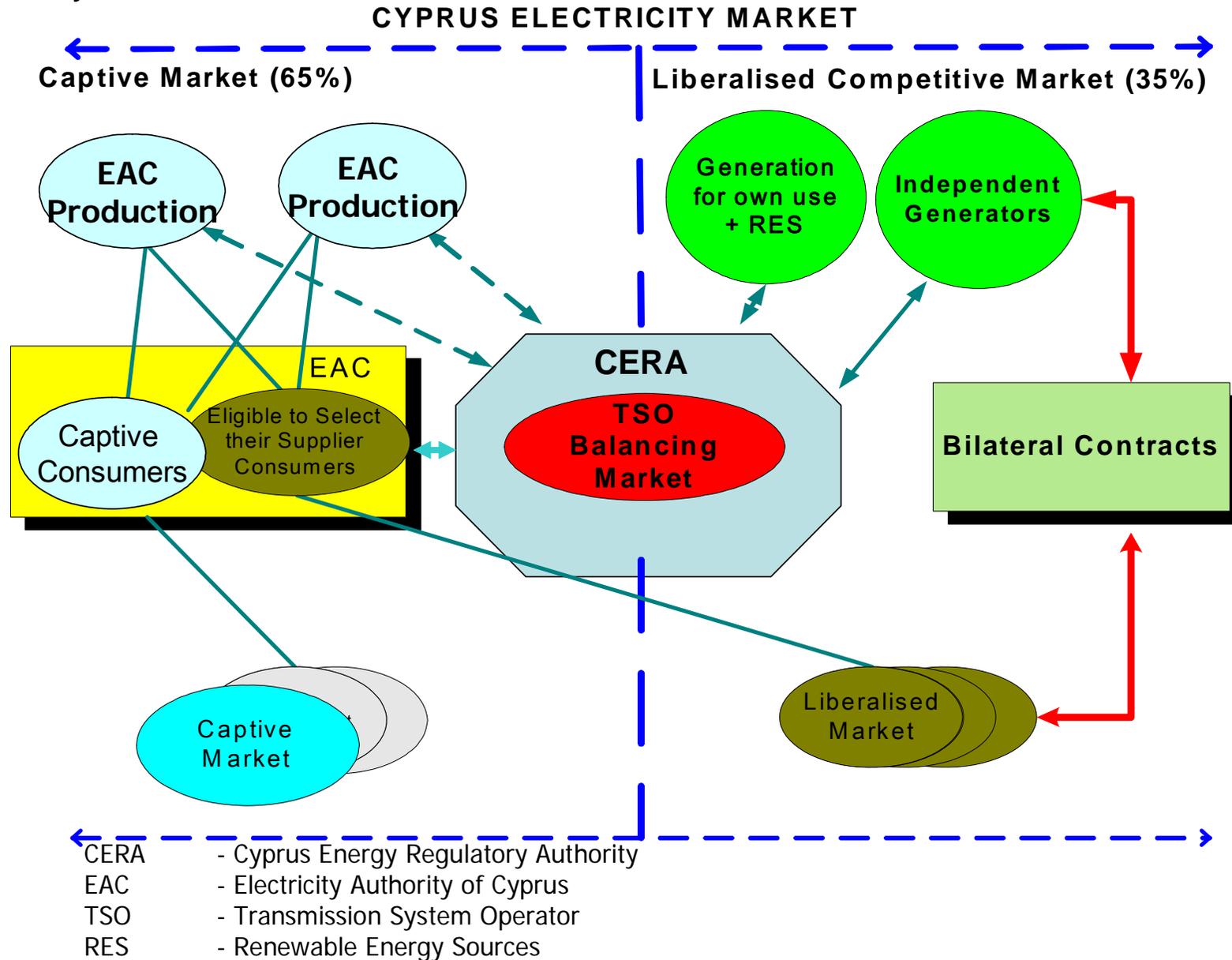
The Cyprus Energy Regulatory Authority is an independent Authority of the Republic of Cyprus and has executive powers and competences in the Energy Field. CERA is appointed in office for six years by the Ministerial Council in accordance with the **Electricity Market Regulatory Law N.122 (I) of 2003** and the **Natural Gas Market Regulatory Law N.183 (I) of 2004** and through provisions in the above laws it reports directly to the President of the Republic. Its annual budget, however, has to be approved firstly by the Council of Ministers (after the Council receives comments and recommendations from the Ministry of Commerce, Industry and Tourism and the Ministry of Finance) and then by the Parliament.

2.1.5 Overlapping jurisdictions with other Governmental agencies / authorities (national and supranational)

As it can be seen from previous sections CERA has almost full authority in the Electricity and Gas markets and is adequately empowered to operate efficiently and to safeguard a reliable supply to all consumers of the markets. The Ministry is given through the above referred laws some competencies as far as policy issues are concerned e.g. approval of PSOs (Public Service Obligations). There is, however, definitely overlapping jurisdiction with the Cyprus Competition Authority and this is already creating “some difficulties”. Specifically, information was exchanged on the activities of each Authority and discussion took place on each Authority’s role as determined by the Laws regarding the protection of Competition in the Sectors of Electricity and Natural Gas. Representatives from both Authorities are working on issues of possible concurrent powers in an effort to prepare a code of practice whereby overlapping powers are smoothed out.

2.2 Main developments in the gas and electricity markets

2.2.1 The Electricity Market



From the diagram it can be seen that the market is characterised by the following:

- Market Regulation: CERA (with almost full authority)
- Operation of System & Market: Manager TSO (independent in legal and management terms).
- Basic Trading Arrangement: Bilateral Agreements
- Balancing Market: 2% to 3% of energy traded through TSO
- Captive Market: EAC, 65% (small industrial, commercial and domestic)
- Eligible Market*: 35% (big industrial and commercial)
- Competition in generation: EAC, IPPs, RES and Autoproducers

According to the above chart any enterprise which is interested in generating and supplying electricity may submit an application to the Energy Regulatory Authority and obtain the relevant Licence if it fulfils the criteria set. The companies that will obtain such a Licence have the right to use the existing electricity transmission and distribution network. Although these networks remain the property of the EAC, a Transmission System Operator has been appointed and functions independently in terms of organisation and decision making from the EAC, and its activities of production, distribution and supply, in order to safeguard access onto the Transmission network and the equal treatment of all users of the said network. The Owner of the Distribution System has also been nominated as the Distribution System Operator and although he is not independent in the sense that the Transmission System Operator is, he has the same duty of safeguarding access to the Distribution network and the equal treatment of all users of the said network.

As far as the Market Rules are concerned they are based on the operating model of the liberalised electrical energy market.

The Electricity Market was liberalised by 35% on 1st May 2004. This percentage includes the 726 biggest electricity consumers in Cyprus, each of whom consumes at least 350,000 kilowatt-hours per year. The annual electricity bill of these 726 consumers is estimated to amount to about CY£85 (€145) million. These consumers are now free to select their Electricity Supplier. With effect from January 1st 2009 the market will be liberalised for all "non domestic" consumers, and with effect from January 1st, 2014 all consumers of electrical energy will be able to select their Supplier according to what is in their best interest.

Following the procedures which arise out of the harmonisation of the existing legislation with the European Acquis, EAC, at the instigation of CERA, proceeded to comply with the unbundling of its accounts for the year 2006. Specifically, EAC prepared separate accounts for the generation, transmission, distribution and supply of electricity. The first phase of Unbundling of the Accounts of the EAC is being completed.

2.1.2 The Gas Market

Eventhough there is no gas infrastructure in Cyprus all the necessary steps have been taken in order to incorporate the provisions of the Directive2003/55/EC into the National Laws on Regulating the Natural Gas Market of 2004-2006, which came into force in 2004.

2.3 Major issues dealt with by CERA

Electricity Market

CERA, since its appointment in January 2004, has been actively involved in the preparation of all the legislation. Furthermore, CERA moved quickly to acquire and organize the necessary independent office facilities and has done all that was required to appoint basic support staff.

The following Laws and Regulations have been enacted and are in force regarding the Electricity Market:

LAWS				
No.	TITLE OF LAW	NUMBER OF LAW	NUMBER OF GAZETTE	DATE OF PUBLICATION
ELECTRICITY				
THE LAWS ON REGULATING THE ELECTRICITY MARKET OF 2003 - 2006				
1.	The Law on Regulating the Electricity Market of 2003	L.122(I)/2003	3742	25/07/03
2.	The Law on Regulating the Electricity Market of 2004 – AMENDMENT	L.239(I)/2004	3918	05/11/04
3.	The Law on Regulating the Electricity Market of 2005 – AMENDMENT	L.143(I)/2005	4057	09/12/05
4.	The Law on Regulating the Electricity Market of 2006 - AMENDMENT	L.173(I)/2005	4105	29/12/06
THE LAWS ON THE PROMOTION OF ELECTRICITY PRODUCED FROM RENEWABLE ENERGY SOURCES OF 2003-2006.				
THE LAW ON THE PROMOTION OF COGENERATION OF 2006 AND OTHER LAWS.				

RENEWABLE ENERGY SOURCES.				
1.	The Law on the promotion and encouragement of the use of Renewable Energy Sources (RES) and of Energy Saving of 2003.	N.33(I)/2003	3706	18/04/03
2.	The Law on the promotion and encouragement of the use of Renewable Energy Sources (RES) and of Energy Saving of 2004 - AMENDMENT	N.234A(I)/2004	3915A	02/11/04
3.	The Law on the promotion and encouragement of the use of Renewable Energy Sources (RES) and of Energy Saving of 2005 - AMENDMENT	N.139(I)/2005	4055	02/12/05
4.	The Law on the promotion and encouragement of the use of Renewable Energy Sources (RES) and of Energy Saving of 2006 - AMENDMENT	N.162(I)/2006	4103	22/12/06
COGENERATION				
1.	The Law on the promotion of Cogeneration of Electricity and Heat of 2006	N.174(I)/2006	4105	29/12/06
OTHER LAWS				
1.	The Law on the Implementation of European Regulations relevant to the Energy Sector.	N.278(I)/2004	3940	31/12/04
REGULATIONS				
No.	TITLE	NUMBER OF REGULATION	NUMBER OF GAZETTE	DATE OF PUBLICATION

REGULATIONS ISSUED BY VIRTUE OF THE PROVISIONS OF THE LAWS ON REGULATING THE ELECTRICITY MARKET OF 2003 – 2006

ELECTRICITY

1.	The Regulations of 2004 on Regulating the Electricity Market (INVESTIGATIONS PROCEDURE)	Reg. 465/2004	3851	30/04/04
2.	The Regulations of 2004 on Regulating the Electricity (LICENCE REGISTER)	Reg. 466/2004	3851	30/04/04
3.	The Regulations of 2004 on Regulating the Electricity Market (LICENCE FEES)	Reg. 467/2004	3851	30/04/04
4.	The Regulations of 2004 on Regulating the Electricity Market (ADMINISTRATIVE FINES)	Reg. 468/2004	3851	30/04/04
5.	The Regulations of 2004 on Regulating the Electricity Market (ELECTRICITY TARIFFS)	Reg. 472/2004	3851	30/04/04
6.	The CERA STAFF Regulations of 2004 (APPOINTMENT, PROMOTION, SERVICE AND DISCIPLINARY CODE)	Reg. 528/2004	3853	30/04/04
7.	The Regulations of 2004 on Regulating the Electricity Market (ISSUE OF LICENCES)	Reg. 538/2004	3853	30/04/04
8.	The Regulations of 2005 on Regulating the Electricity Market (PROCEDURE FOR SUBMITTING COMPLAINTS)	Reg. 570/2005	4058	16/12/05

9.	The Regulations of 2005 on Regulating the Electricity Market (PERFORMANCE INDICATORS)	Reg. 571/2005	4058	16/12/05
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OTHER REGULATION

DECREES / DIRECTIVES / DECISIONS

1.	The Decree of 2004 on Consumers Eligible to Select their Supplier	Reg. 340/2004	3847	30/04/04
2.	The Directive of 2006 stipulating natural gas as the primary source of Energy for sizeable new investments.	Reg. 115/2006	4088	17/03/06
3.	The Decision of 2006 imposing a Public Service Obligation regarding the price of electricity supply to multi-member and low-income families.	Reg. 200/2006	4098	28/04/06

REGULATORY DECISIONS

No.	TITLE OF DECISIONS	NUMBER OF DECISION	NUMBER OF GAZETTE	DATE OF PUBLICATION
1.	Declaration of Regulatory Practice and Methodology of Electricity Tariffs.	Reg.177/2006	4096	14/04/06
2.	Declaration of Regulatory Practice and Methodology of Electricity Tariffs - AMENDMENT	Reg.404/2006	4142	23/10/06
3.	Declaration of Regulatory Practice and Methodology of Electricity Tariffs -	Reg.105/2007	4178	02/03/07

	AMENDMENT			
4.	Declaration of Regulatory Practice and Methodology of Electricity Tariffs - AMENDMENT	Reg.227/200	4200	25/05/07

RULES / PROTOCOLS

1.	The "Electricity Transmission / Distribution Rules"	APPROVAL 07/10/2004	IN FORCE FROM 15/10/05
2.	The "Electricity Transmission / Distribution Rules" – AMENDMENT	09/06/06	19/06/06
3.	The "Electricity Market Rules"	Approval granted in principle in 2005. Requested simplification work to be carried out and be completed in 2007.	

CHARGES

⇒	New Charges for Customer Services by EAC	Approved on 01/11/2005 In force from 01/01/2006
⇒	New EAC Tariff Charges	Approval due in 2007
⇒	Charges for the Use of the Transmission System	Approval due in 2007
⇒	Charges for the Use of the Distribution System	Approval due in 2007
⇒	Charges for the Connection to the Transmission Network	Approval due in 2007
⇒	Charges for the Connection to the Distribution Network	Approval due in 2007

The table below shows the proposed Laws and Regulations regarding Electricity Market that are in progress:

PROPOSED LAWS AND REGULATIONS		
REGULATION OF ISSUES PERTAINING TO TRANSFER OF LICENCES		
ELECTRICITY		
	The Law on Regulating The Electricity Market – AMENDMENT	Approval due in 2007
	The Regulations of 2004 on Regulating the Electricity Market (LICENCE FEES)	Approval due in 2007
	The Regulations of 2004 on Regulating the Electricity Market (ISSUE OF LICENCES)	Approval due in 2007

Apart from the above, one of the urgent priorities of CERA was the opening of the Electricity Market. This was achieved and the Electricity Market was liberalised by 35% on 1st May 2004. This percentage includes the 726 biggest electricity consumers in Cyprus, each of whom consumes at least 350,000 kilowatt-hours per year. These consumers are now free to select the company that will supply them with energy. In the next few years the market will be liberalised 100% as the ultimate target is for all consumers of electrical energy to be able to select their Supplier according to what is in their best interest.

A Regulatory Decision was issued on 01/12/04, on the basis of which Autogeneration Units up to 1MW, Generation Units from RES (Renewable Energy Sources) up to 5MW and the Supply of electricity up to 500KW are issued with exemption from Licence. The decision exempts these categories from the obligation to own and renew various licences, provided that an application for exemption has been submitted and approved through a simplified procedure. The Regulatory Decision included also the provision that no licence or exemption issue from Licence is needed for RES systems up to 10KW.

A Decision was issued on 15/06/07 which included also the provision that no licence or exemption issue from Licence is needed for PV and Biomass Systems up to 20KW and Wind Systems up to 30KW.

CERA has also decided that small generating units, for domestic use, up to 10 kW, in isolated areas where there is still no distribution network, do not require a licence to operate. In addition a simplified procedure has been introduced for the licensing of stand-by generating units.

CERA has done a lot of preparatory work in order to be able to issue the various licences to the TSO, the network owners and previously existing generators. More details of this work appear in section 5 below.

A Regulatory Decision was published on 14/04/06 regarding the Methodology of Tariffs, and several amendments followed in 2006 and 2007 in order for the Methodology of Tariffs to be more precise to the current factual status of the Electricity Market.

A summary of the principles of the Methodology is given below:

All tariffs and charges for the services provided by the licence holders must reflect the costs of providing those services and should not unduly discriminate between different purchasers of those services. CERA requires a licensee or holder of an exemption, to set prices in a way that he will be recovering all costs incurred in accordance with the Law. Charges concerning eligible and non-eligible consumers should not lead to abuse of the dominant position of the Authority or of any other licensee.

Persons that have been granted an authorisation or an exemption, shall ensure that the tariffs or charges they levy for the services they provide under the terms of those authorisations or exemptions have been:

- (a) set in accordance with Regulations and the methodology that is relevant thereto which is prescribed by CERA reflecting costs including reasonable profit;
- (b) approved by CERA; and
- (c) are publicly notified in accordance with CERA's requirements.

The procedure for reviewing and approving tariffs and charges is specified in the methodology. This procedure includes among other matters the following:

- (1) A timetable for the consideration by CERA of any submission for approval; and
- (2) Opportunity for customers and other persons to comment on such submissions.
- (3) CERA shall ensure that licensees or holders of exemptions, are permitted to recover all reasonable costs incurred in the operation of the business on an efficient basis, including but not limited to:

- The costs of fuel, wages and salaries, other operating and maintenance costs;
- A reasonable percentage for capital depreciation;
- A reasonable return on the capital employed; and
- The costs of Public Service Obligations imposed on the licensee in accordance with the Law, and
- The costs arising from ancillary services.

- (4) In deciding on the appropriate level of tariffs or other charges, CERA shall also have regard to the following, in addition to the consideration provided by subsections (1), (2) and (3) above:

- The protection of consumers against monopolistic prices; and
- Encouraging efficiency and quality of services in the operations of the holder of the authorisation or exemption.

As far as article 22 of the Directive 2004/55/Ec is concerned according to the Law on Regulating the Electricity Market of 2003 and 2004 and as per Article 86:

- Where access to the transmission system or distribution system for holders of authorisations or permits or eligible consumers is refused by the Transmission System Operator or the Distribution System Owner respectively due to lack of capacity, CERA may authorise the electricity undertaking to whom such refusal is made to construct a direct line or an eligible consumer to connect with an existing direct line.
- An authorisation to construct a direct line granted by CERA under this subsection shall require the person to whom the permission was granted to comply with such technical and other conditions specified in the authorisation issued by CERA.
- Where there is a connection made between a direct line and the transmission or distribution systems, on the application of the Transmission System Operator and the Distribution System Owner respectively, CERA shall direct the owner of a direct line constructed under subsection (1) to transfer the ownership of the direct line to the Transmission System Owner or Distribution System Owner on such terms, including terms as to compensation, as may be agreed between the Transmission System Operator and the Distribution System Owner and the owner of the direct line.
- In default of agreement between the Transmission System Operator or the Distribution System Owner and the owner of the direct line as to compensation, such compensation shall be assessed under the provisions of the Expropriation of Property Laws of 1962 to 1999.

It should be noted that in practice such an incident whereby the TSO or the Owner of the Distribution System has refused access to the respective system due to non availability of capacity on the systems and whereby undertaking has been authorized by CERA to construct a direct line has not arisen as yet.

Natural Gas market

Natural Gas is still not available on the island. In spite of this, natural gas was defined by a Ministerial Direction as the basic fuel for the production of electricity with regards to future installations of sizeable capacity.

Nevertheless, the Natural Gas Sector has been put in line with the relevant EU Directive 2003/55/EC, relating to the common rules of the internal natural gas market. The provisions of the Directive have been incorporated into the Laws on Regulating the Natural Gas Market of 2004-2006, which were enacted in 2004.

Furthermore, the relevant Regulations organising the operation of the Natural Gas Market, the access to the market, the criteria and the licencing procedure, came into force in 2006. In particular, the following Regulations were enacted:

Additionally, CERA has prepared draft bills amending the Laws in order to fully transpose the Directives 2003/55/EC (Article 22–New Infrastructure) and 2004/67/EC into the national Laws, which have been forwarded to the Office of the Attorney General to check their conformity to the legal, technical aspects, before they are forwarded to the Council of Ministers and the Parliament for approval.

At the same time investors have submitted the necessary applications to CERA in order to proceed to the construction and operation of off-shore Floating Storage Station and Regasification of Liquefied Natural Gas.

The following Laws and Regulations have been enacted and are in force concerning Natural Gas Market:

LAWS				
No.	TITLE OF LAW	NUMBER OF LAW	NUMBER OF GAZETTE	DATE OF PUBLICATION
NATURAL GAS				
THE LAWS ON REGULATING THE NATURAL GAS MARKET OF 2004 - 2006				
1.	The Law on Regulating the Natural Gas Market of 2004	L.183(I)/2004	3852	30/04/04
2.	The Law on Regulating the Natural Gas Market of 2006 - AMENDMENT	L.103(I)/2006	4088	21/07/06
REGULATIONS				
No.	TITLE	NUMBER OF REGULATION	NUMBER OF GAZETTE	DATE OF PUBLICATION
NATURAL GAS				
REGULATIONS ISSUED BY VIRTUE OF THE PROVISIONS OF THE LAWS ON REGULATING THE NATURAL GAS MARKET OF 2004 – 2006				
1.	The Regulations of 2006 on Regulating the Natural Gas Market (INVESTIGATIONS PROCEDURE)	Reg.297/2006	4122	21/07/06
2.	The Regulations of 2006 on Regulating the Natural Gas Market (ISSUE OF LICENCE)	Reg.298/2006	4122	21/07/06
3.	The Regulations of 2006 on Regulating the Natural Gas Market (FEES)	Reg.299/2006	4122	21/07/06
OTHER REGULATION				

DECREES / DIRECTIVES / DECISIONS

1.	The Directive of 2006 stipulating natural gas as the primary source of Energy for sizeable new investments.	Reg. 115/2006	4088	17/03/06
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The table below shows the proposed Laws and Regulations regarding Natural Gas Market that are in progress:

PROPOSED LAWS AND REGULATIONS

	Proposed Law on the Security of Supply with Natural Gas.	Approval due in 2007
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REGULATION OF ISSUES PERTAINING TO TRANSFER OF LICENCES

NATURAL GAS

	The Law on Regulating the Natural Gas Market – AMENDMENT	Approval due in 2007
	The Regulations of 2006 on Regulating the Natural Gas Market (FEES)- AMENDMENT	Approval due in 2007
	The Regulations of 2006 on Regulating the Natural Gas Market (ISSUE OF LICENCE)- AMENDMENT	Approval due in 2007

3. REGULATION AND PERFORMANCE OF THE ELECTRICITY MARKET

3.1 Regulatory Issues [Article 23(1) except “h”]

3.1.1 General

As already mentioned, one of the urgent priorities of CERA was the opening of the Electricity Market. This was achieved and the Electricity Market was liberalised by 35% on 1st May 2004. This percentage includes the 726 biggest electricity consumers in Cyprus, each of whom consumes at least 350,000 kilowatt-hours per year. The annual electricity bill of these 726 consumers is estimated to amount to about CY£85 million (approximately €145 million). These consumers are now free to select their Electricity Supplier. Cyprus has obtained a derogation with effect from January 1st 2009 the market will be liberalised for all “non domestic” consumers, and with effect from January 1st, 2014 all consumers of electrical energy will be able to select their Supplier according to what is in their best interest.

Table 3.1.1

Electricity Market Opening Table

YEAR	THRESHOLD GWH/YEAR	% MARKET OPEN
1995		0
1997		0
1999		0
2001		0
2003		0
2004	0,35	35
2005	0,35	35
2006	0,35	35
2007	0,35	35

3.1.2 Management and Allocation of interconnection capacity and mechanisms to deal with congestion

At present, Cyprus, as an island, operates without cross-border links. Thus, cross-border congestion management rules are not applicable. In the primary legislation, there is a clear definition of the role of the TSO to observe and record on an annual basis an assessment regarding expected flows and other conditions related to transmission capacity and ensuring that measures are taken to avoid breaching security of supply standards. According to the primary legislation, the TSO is obliged to publish a ten-year development plan which is approved by CERA and is available to all market participants. The above mentioned development plant is revised at least once a year.

3.1.3 The regulation of the tasks of transmission and distribution companies

Cyprus, being a small isolated system, has opted through the Law of 2003 on Regulating the Electricity Market, L.122(I)/2003, (further down referred to as the Law) for,

- (a) a single TSO unbundled in legal and management terms from the System Owner.
- (b) a common, bundled distribution network, Owner & DSO, as part of the Electricity Authority of Cyprus (EAC) which is the vertically integrated utility of Cyprus involved in all the functions of the electricity market.

For network tariffs, in close cooperation with the TSO and EAC, reports have been prepared using outside consultants (from Greece, UK, Ireland, and Netherlands) and these are currently under consideration for approval. The methodology developed in the reports is based on the following principles:

- Unbundling of EAC accounts under the following broad categories:
 - Generation
 - Transmission Network
 - Transmission System Operator (EAC related costs)
 - Distribution
 - Supply
 - Other business
- Re-evaluation of generation and network assets
- Identification of ancillary services and cost valuation of each one separately
- Identification of Public Service Obligations
- Benchmarking of various activities with reference to published performance indices of European Utilities.

The above referred reports are currently under review for final approval. These will facilitate the formulation of network tariffs that will guarantee the following pre-requisites:

- Economic Efficiency/cost reflectivity
- Cost recovery
- Efficient Regulation
- Simplicity, transparency and stability
- Non-discrimination
- Facilitation of competition

The Cyprus Energy Regulatory Authority (CERA) has been vested through the Law with the responsibility of approving tariff methodologies and actual tariffs and charges of the Monopoly Sectors of the industry and all activities of EAC who is the dominant participant in the Electricity Market.

What is important to mention is that the philosophy behind the structuring of the tariffs for which CERA has the final word, is to protect the consumers against monopolistic prices.

The goal of CERA is also to encourage, via the tariffs structure, the efficiency and the quality of services which need to be provided to the consumers by the licence holders for generation and supply of electrical energy.

The regulation of the Electricity Tariffs is applied with the aim of maximising the long term benefit of competitiveness in the Cyprus economy, the protection of the consumers, the performance of the Obligations of Public Service and the securing of continuous and normal energy supply.

Within this framework the regulation of Electricity Tariffs seeks to achieve the following main goals:

- Tariffs to reflect the real cost plus reasonable profit for every sector of the electrical energy.

- Unnecessary consumption not to be encouraged, but, on the contrary, energy savings should be encouraged.
- Sufficient incentives to exist for the participants in the Electrical Energy Market, so that they improve the cost of the services they provide.
- The competitiveness of the services provided to be secured.
- Not to create discrimination between consumers.
- Not to distort competition.
- Electricity bills to show in a transparent and clear way the consequences that application of other Policy decisions (e.g. Renewable Sources of Energy) may have on electricity tariffs.
- The structure of the bills and the items comprising them to be as clear and understandable as possible.
- Changes in prices to be anticipated so as to avoid abrupt changes which may cause uncertainty to investors and consumers.

The Electricity Market Law of 2003 covers adequately the requirements of the Electricity Directive under Article 3 for consumer protection and performance standards that affect the quality of supply to all consumers with particular emphasis to vulnerable consumers. Regulations were enacted pursuant to Article 88 of the Law laying down demanding obligations on the network owner and on suppliers to meet such quality standards that will safeguard the quality and continuity of electricity supply to all consumers.

The TSO in close cooperation with EAC has drafted proposals for the Use of System Charges and Connection Charges and these are under consideration by CERA for final approval. Once these are approved they shall be made public and accessible to all interested parties.

What is important to mention is that ongoing discussions are being carried out in order to assess the optimum charges for the use of the Transmission and Distribution System as well as for the charges for connecting to the System. The procedure is expected to be finalised in 2007 and before new entrance of Independent Power Producers (IPPs).

Furthermore, a draft Report defining the method of charge for connecting the Electricity producers onto the Transmission & Distribution System was prepared. The above mentioned Report is expected to be finalised in 2007 and before new entrance of Independent Power Producers (IPPs).

The current electricity consumption charges using the tariffs in force are as follows using the corresponding Eurostat definitions. For further details see attached table of electricity prices:

- Dc : Price all taxes included: 7,96 Cyprus cent
- Ib : Price all taxes included: 8,55 Cyprus cent
- Ig : Price all taxes included: 6,68 Cyprus cent.
(1 Cyprus cent = approx. 1,71 Eurocents)

In addition EAC has produced a study through the support of an outside consultant that takes into consideration the unbundled accounts and revalued assets referred to above and through this report the proposed national average network costs are estimated as shown in the table below (these costs have not yet been approved by CERA):

ITEM	MAX. DEMAND CHARGE CYP/MW/MONTH *	ENERGY CHARGE CYP/MWH	AVERAGE KWHR CHARGE CYPcent/KWHR **
High Voltage (66-132kV)	2159,21	-	0,532
Medium Voltage (11kV)	2099,15	5,17	1,034
Low Voltage (400 Volts)	-	8,46	0,846
Transmission System Operator	-	0,43	0,043
Ancillary Services	-	1,65	0,165
Long term cold reserve	-	2,71	0,271
Average Total CYP cent/kW hr			2,891
EURO cent/kW hr			5,023,

€1 = 0,5852 CYP

* MW sent out

**kWh sold

From the above the following average network costs can be deduced:

- Consumers fed from low voltage network: 2,891 CYP cent / kWhr
- Consumers fed from medium voltage network: 2,045 CYP cent / kWhr
- Consumers fed from high voltage network: 1,011 CYP cent / kWhr

EAC is preparing a proposal for submission to CERA, which will be soon under scrutiny for consideration and final approval. On the basis of the above study EAC will proceed to analyse the current tariff structure and propose to CERA new consumption tariffs for approval.

It is worth noting that the procedures and conditions for connection to the transmission or distribution system are included in the Transmission and Distribution Rules, which have been approved by CERA in October 2004 and the revised version was approved on 19/06/06. All information regarding connection charges will be published on the TSO's website as soon as they are finalised.

Table 3.1.3**Regulation of network companies**

	NUMBER OF REGULATED COMPANIES	APPROX NETWORK ACCESS CHARGE (EURO/MWH)			INTERRUPTIONS MINUTES LOST PER CUSTOMER PER YEAR
		Ig	Ib	Dc	
TRANSMISSION	1	*	*	*	No data available at present
DISTRIBUTION	1	*	*	*	No data available at present

* Connection policy is currently under scrutiny and has not been approved as yet(see above)

Balancing

The Market Rules are proposed by the TSO, approved by CERA and the Ministry, and published by the TSO. They provide all necessary information concerning operation of the electricity market in the country. The balancing arrangements are also described in the Transmission and Distribution Rules.

The balancing interval is 30min. The system applied in Cyprus is based on Bilateral Agreements between producers and their customers, who must nominate their productions to the TSO 24hrs ahead of their planned production. Their production must balance within $\pm 10\%$ of their customers demand. The difference between total supply and total demand is settled through the balancing market. Gate closure is applied at midnight – as provided by Market Rules. Settlement of imbalances will be arranged on a monthly basis.

The market is not yet operating in practise since there is only one Power Producer and Supplier, namely EAC. In general the principles incorporated in the “Electricity Market Rules” were approved by CERA, however further simplification of the Rules is in process for better implementation. The Market Rules will be published on the TSO’s website once they are approved. Currently, they are under review and they provide that EAC, as the dominant and last resort producer, supports small market participants in absorbing “spilling” or provide “topping up” as well as supplying customers of IPPs during any short time weaknesses to support their customers.

3.1.4 Effective unbundling

As already indicated in paragraph 3.1.3 above:

- Cyprus has established a single TSO, independent in legal terms (the Manager of TSO’s Office being appointed by the Council of Ministers), in management terms (organization and decision making) as per Law L.122(I)/2003.
- The function of the single DSO has remained within the Network Business Unit of EAC in agreement with the relevant clauses of the Electricity Directive (see Article 15) and the approval of the Government of Cyprus.
- Neither the TSO or DSO are ownership unbundled.

- Although the DSO has no legal independence, the accounts of this activity are unbundled and all medium and low voltage installations of the Distribution System are among the assets allocated as own.

Table 3.1.4

Summary Information on TSO & DSO Unbundling (Electricity)

GENERATION SUPPLY AND TRANSMISSION ACTIVITIES	TSO	DSO
Separate Headquarters (Y/N)	Yes	No
Separate corporate presentation (Y/N)	Yes	No
Unbundled regulatory accounts as per guidelines (Y/N)	Yes	Yes
Audit of unbundled accounts (Y/N)	No	No
Publication of unbundled accounts (Y/N)	No	No
Separate board of Directors without Directors from other group companies? (Y/N)	No	No

On the basis of the above the following are adhered to:

- Unbundled corporate accounts of EAC will include separate accounts for Transmission as Owner, Transmission as Operator and Distribution as Owner and Operator.
- The unbundling methodology of EAC has been prepared by reputable consultants (ESBI Ireland) and the Board of EAC has given its preliminary approval. The methodology has been submitted to CERA together with historic accounts and these are currently in the final stages of clarifications and approval.
- It was agreed with EAC that unified accounts should be acceptable for the time being. In the future however, its intended that unbundled accounts will be issued and separately audited by external auditors.
- In accordance with article 27 of Law 122(I)/2003, sanctions available to the Regulator for Companies failing to comply with management or accounts unbundling vary in accordance with the seriousness of the breach, from fines of a minimum of C£1,000 up to 10% of the gross annual income of the enterprise.

In the event that the breach continues, inspite of the fine imposed, CERA may additionally impose an administrative fine of CY£50.00 to CY£5,000 for each day that the breach continues taking into consideration the seriousness of the breach.

In the event that the person/legal entity responsible for the breach has obtained illegal gain due to the breach, CERA has the power to impose a fine which may reach a sum double that of the proven sum illegally gained.

CERA may also revoke the Licence.

TSO is located separately from EAC. The TSO presents himself to customers as a separate entity with his own name, logo and website.

Employees directly employed by network operators (TSOs & DSOs) as share of employees of the total electricity sector approximates to 39,6%.

Employees also providing services to other parts of the group as percentage of the total employees in the network business (the denominator includes the shared employees & the exclusive network employees) approximates to 96,8%.

TSO and DSO are provided with all of their employees by the single vertically integrated utility, namely EAC.

Share of shared services adds up to 100% and shared employees likewise.

3.2 Competition Issues [Article 23(8) and 23(1)(h)]

3.2.1 Description of the wholesale market

Cyprus has opened the electricity market by 35% of the annual consumption as from 1st May 2004 and up to now only one generator (EAC) is operating in Cyprus covering all the needs of the country. Furthermore, the Trading and Settlement Rules (Market Rules) have been approved in 2005 subject to further reviewing and simplification procedures to be undertaken. The Law allows a retail market to operate for participants that own and operate enough generation for the needs of their customers.

In this respect no wholesale market is envisaged to function in Cyprus in the near future.

The installed generating capacity in Cyprus is 1118 MW with a recorded maximum demand of 856 MW in July 2005, 907 MW in July 2006 and 1021 MW in July 2007 and an annual consumption of 3940 GWh for 2005 and 4.135 GWh for 2006.

Cyprus is currently operating a national electricity market that is totally (100%) dominated by EAC who is the provider of ancillary services as well. In the future, market participants, with generating capacity exceeding 50MW can participate in the market for ancillary services.

Although demand side management is covered in the approved Transmission and Distribution Rules there is not yet any active participation in demand side management.

Since there is no whole-sale market in Cyprus the Table 3.2.1 is not applicable. Furthermore, there is only one supplier the Electricity Authority of Cyprus (EAC) and trading is carried out only through bilateral agreements (by choice of available tariffs). Hence Table 3.2.1(a) is not applicable.

Table 3.2.1

Development of wholesale market – NOT APPLICABLE

	Demand		Installed capacity (GW)	No. of companies with >5% generation	Share of largest three generation companies	HHI (where available)	
	Total (TWh)	Peak (GW)				All plant, by capacity	All plant, by volume
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 3.2.1a

Volume of electricity traded (TWh) – NOT APPLICABLE

	Total consumption	traded in spot PX market	traded in forward PX market	bilateral OTC trading
2002	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A

3.2.2 Description of the retail market

As already pointed out, Cyprus has opened the Electricity Market on the 1st May 2004 for the 35% of the annual consumption. Before May 2004, EAC was the sole licensee to produce and sell electricity in Cyprus and the situation remains the same

up until today, as no new players already being Licenced have been put into operation. EAC is currently supplying the following groups of consumers:

- Households and small commercial sector: 457.987 consumers (less 50 kW) - 100% share
- Medium sized industrial and commercial sector: 2.544 consumers (above 50 kW, LV metering) – 100% share
- Large and very large industrial customers: 472 consumers (MV and HV metering) – 100% share

All tariffs and charges are regulated and they are currently under a process of re-adjustment to gradually overcome any remaining cross subsidies.

It should be noted that according to the Law, suppliers should own at least adequate generating capacity to satisfy the needs of their consumers aggregate demand, thus integrating producers with supply activities.

No switching procedures are as yet into force for customers to change suppliers, since there are no other suppliers.

The retail prices are split as shown in the attached tables referred to in paragraph 3.1.3 above.

Table 3.2.2

Development of retail market

	Total consumption (TWh)	No. of companies with >5% retail market	Number of fully independent suppliers (1)	Market share of three largest companies (Producers)			Cumulative % customers having changed supplier (by volume)		
				large and very large industrial	small-medium industrial and business	very small business and household	large and very large industrial	small-medium industrial and business	very small business and household
2001	3,13	1	0	N/A	N/A	N/A	0	0	0
2002	3,40	1	0	N/A	N/A	N/A	0	0	0
2003	3,66	1	0	N/A	N/A	N/A	0	0	0
2004	3,74	1	0	N/A	N/A	N/A	0	0	0
2005	3,93	1	0	N/A	N/A	N/A	0	0	0
2005	4,14	1	0	N/A	N/A	N/A	0	0	0

(1) i.e. fully independent from Production companies

Table 3.2.2a

Breakdown of currently prevailing price levels

	Ig	Ib	Dc	
Network charges (excl. levies)	2,045	2,045	2,891	
Levies included in network charges	0,130	0,130	0,130	
Energy costs and supply margin	3,6506	5,2767	3,918	
Taxes (15% V.A.T.)	0,854	1,098	1,021	
Total (including all taxes)	6,68	8,55	7,96	Prices as on 01/01/07

* Note: Primary Fuel is Heavy Fuel Oil (HFO)

3.2.3 Measures to avoid abuses of dominance

All information regarding generation, planned and actual, together with all the necessary transmission system developments is published on CERA's and TSO's websites. Furthermore, the current vertically integrated utility (EAC) is going to be totally regulated both for the network activities, but also for generation and supply with fully unbundled accounts to the requirements of the Directive and its tariffs and other charges will be approved by CERA. This situation will continue until competitive conditions are established after new entrance come into operation. In addition, as already pointed out in other sections of the report:

- The TSO is independent from the vertically integrated Utility (EAC) in management (organisation and decision making) terms and is totally responsible for the operation of the electricity transmission system and the market as far as generation, supply, the balancing market and the provision of ancillary services.
- Performance quality indices are already in effect for all critical factors of the electricity network with penalties on the provider so that actual service to electricity consumers is closely monitored.
- All applications for connection to the Transmission network shall be totally the responsibility of the TSO as far as the issuing of terms for connection to the network and furthermore to oversee that the system owner (EAC) shall take all the necessary steps to construct the necessary network without delay.
- The TSO is vested with the responsibility of submitting the Transmission Use of System Charge to CERA for approval.
- CERA is the responsible Authority to regulate and monitor conditions of the market, so that abuses of dominance as well as other breaches of the Rules of the free Market are avoided. To this effect CERA takes appropriate and

effective measures through the approvals of the above itemised issues for control and transparency, so as to avoid possible misuse of dominant positions and in particular of those misuses to the detriment of consumers.

4. REGULATION AND PERFORMANCE OF THE NATURAL GAS MARKET [Article 25(1)]

4.1 Regulatory Issues [Article 25]

4.1.1 General

Natural Gas is still not available on the island. In spite of this, natural gas was defined by a Ministerial Direction as the basic fuel for the production of electricity with regards to future installations of sizeable capacity.

Nevertheless, the Natural Gas Sector has been put in line with the relevant EU Directive 2003/55/EC, relating to the common rules of the internal natural gas market. The provisions of the Directive have been incorporated into the Laws on Regulating the Natural Gas Market of 2004-2006, which came into force in 2004.

Furthermore, the relevant Regulations organising the operation of the Natural Gas Market, the access to the market, the criteria and the licencing procedure, were put into force. In particular, the following Regulations were enacted:

- 'Issue of Licences' Regulations (Import, Storage, Transmission, Distribution and Supply) No 298/2006
- 'Fees' Regulations No 299/2006
- 'Investigations Procedure' No 297/2006

Additionally, CERA has prepared draft bills amending the Laws in order to fully transpose the Directives 2003/55/EC and 2004/67/EC into the national Laws, which have been forwarded to the Office of the Attorney General for their conformity to the legal, technical aspects, before they are forwarded to the Council of Ministers and the Parliament for approval.

At the same time investors have submitted applications to CERA in order to be licenced for the construction and operation of an off-shore Floating Storage Station and Regasification of Liquefied Natural Gas. The following applications have been submitted to CERA :

- Construction, operation and exploitation of installations for Import, Storage and Regasification of liquefied natural gas in the Vassilikos sea area for own use
- Construction, operation and exploitation of installations for Import, Storage and Regasification of liquefied natural gas in the Vassilikos sea area with the intention of supplying natural gas

4.1.2 Management and allocation of interconnection capacity and mechanisms to deal with congestion

Cyprus, as an island, will operate without any cross-border links. Thus, cross-border congestion management rules are not applicable.

In view of the fact that the gas market is still non-existent in Cyprus Tables 4.1.1, 4.1.3, 4.1.4, 4.2.1, 4.2.1a, 4.2.2 and 4.2.2a are not applicable.

Table 4.1.1

Gas Market Opening Table – NOT APPLICABLE

YEAR	THRESHOLD GWH/YEAR	% MARKET OPEN
1995	N/A	N/A
1997	N/A	N/A
1999	N/A	N/A
2001	N/A	N/A
2003	N/A	N/A
2005	N/A	N/A
2006	N/A	N/A
2007	N/A	N/A

Table 4.1.3

Regulation of network companies – NOT APPLICABLE

	Number of regulated companies	Approx network access charge Euro/cubic metre			Interruptions minutes lost per customer per year
		I4	I1	D3	
Transmission	N/A	N/A	N/A	N/A	N/A
Distribution	N/A	N/A	N/A	N/A	N/A

Table 4.1.4

Summary Information on Unbundling (Gas) – NOT APPLICABLE

	Transmission	Distribution
Separate Headquarters (Y/N)	N/A	N/A
Separate corporate presentation (Y/N)	N/A	N/A
Unbundled regulatory accounts with guidelines (Y/N)	N/A	N/A
Audit of unbundled accounts (Y/N)	N/A	N/A
Publication of unbundled accounts (Y/N)	N/A	N/A
Separate board of Directors without Directors from other group companies? (Y/N)	N/A	N/A

Table 4.2.1

Development of wholesale market – NOT APPLICABLE

	Demand		Production bcm	Import capacity (bcm/year)			No. of companies with >5% production and import capacity	No. of companies with >5% available gas	Share of largest three gas wholesalers
	Total (bcm)	Peak (bcm/year)		total	reserved transit	reserved other LT			
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 4.2.1a

Volume of gas traded (bcm) – NOT APPLICABLE

	Total consumption	traded in spot hub market	traded in forward hub market	bilateral OTC trading
2002	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A

Table 4.2.2

Development of retail market – NOT APPLICABLE

	Total consumption (bcm)	No. of companies with >5% retail market	Number of fully independent suppliers (1)	Market share of three largest companies				Cumulative % customers having changed supplier (by volume)			
				power plants	large and very large industrial	small-medium industrial and business	very small business and household	power plants	large and very large industrial	small-medium industrial and business	very small business and household
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) i.e. fully independent from network companies

Table 4.2.2a

Breakdown of currently prevailing price levels – NOT APPLICABLE

	I4	I1	D3
Network charges (excl. levies)	N/A	N/A	N/A
Levies included in network charges	N/A	N/A	N/A
Energy costs and supply margin	N/A	N/A	N/A
Taxes	N/A	N/A	N/A
Total (including all taxes)	N/A	N/A	N/A

5 SECURITY OF SUPPLY

5.1 Electricity [Article 4]

In 2006 the Power Maximum Demand recorded was on the 22nd of August 2006 and reached a level of 907 MW, (vis -à-vis a Demand Forecast of 910MW), 3MW of which were derived from “OWN USE” installations.

The total Energy generated for the whole of the year was of the order of 4.650GWh (vis-à-vis a forecast of 4.640GWh) 32.17GWh of which were the result of “OWN USE” Generation, while 40.59GWh, were consumed for the needs of own occupied areas. The load factor for the year was of the order of 0.585.

Until July 2007 the Power Maximum Demand recorded was on the 26th of July 2007 and reached a level of 1021MW, (vis -à-vis a Demand Forecast of 945MW).

In recent years the average annual rate of increase in Power Maximum Demand was of the order of 5.85% and the average annual rate of increase in generated energy was of the order of 5.65%.

The levels of annual maximum demand as well as the annual energy generated are expected to continue a similar increasing trend.

The forecasted maximum demand for electricity is as follows:

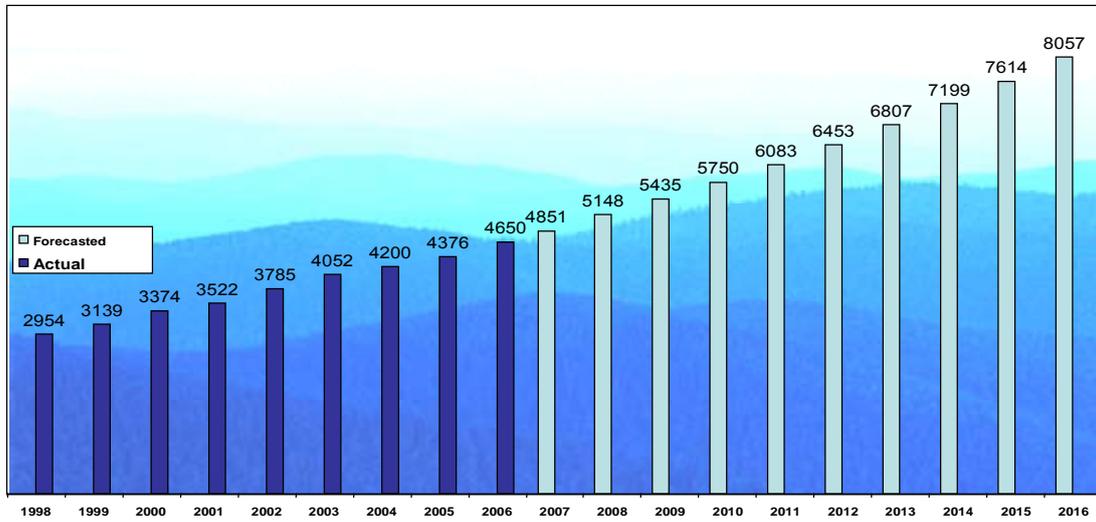
- ⇒ 2007 (forecasted) 945MW
- ⇒ 2008 (forecasted) 1040MW
- ⇒ 2009 (forecasted) 1105MW
- ⇒ 2010 (forecasted) 1175MW
- ⇒ 2011 (forecasted) 1245MW
- ⇒ 2012 (forecasted) 1320MW
- ⇒ 2013 (forecasted) 1400MW
- ⇒ 2014 (forecasted) 1485MW
- ⇒ 2015 (forecasted) 1575MW
- ⇒ 2016 (forecasted) 1670MW

The above mentioned forecasted maximum demand is under review.

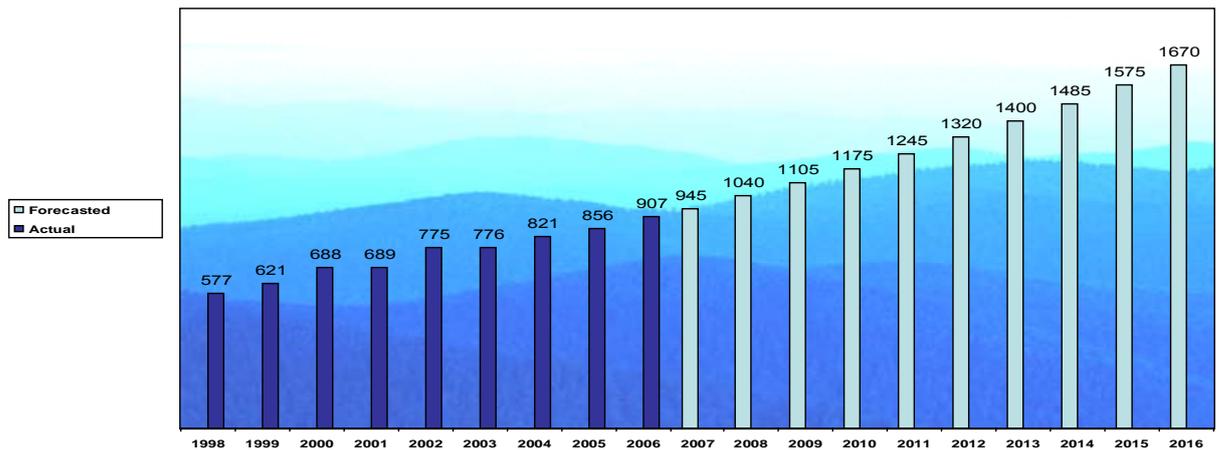
The currently available generation capacity is 1118MW however in real terms due to a number of reasons among of which high temperatures the said figure is de-rated at levels of 1070MW.

Graphs below present historical data for the period 1998-2006 and the forecasted quantities for the period 2007 to 2016.

Total Annual Generation of Electrical Energy in GWh until the Year 2016



Annual Maximum Demand in MW until the Year 2016



GENERATION LICENCES ISSUED

Until July 2007, CERA issued Licences for existing and new Electrical Energy Generating Stations (Conventional Units of Generation) as follows:

S/N	COMPANY NAME	TYPE OF LICENCE	MW
1	EAC (Heavy Fuel Oil & Diesel)	Operation of Power Plant at Vasilikos (Existing Units)	298
2	EAC (Heavy Fuel Oil)	Construction and Operation of Power Plant at Vasilikos (Unit No.3)	130
3	EAC (Heavy Fuel Oil)	Operation of Power Plant at Dhekelia (Existing Units)	360
4	EAC (Heavy Fuel Oil & Diesel)	Operation of Power Plant at Moni (Existing Units)	330
5	Vasilikos Cement Works Ltd	Operation of Power Plant (Existing Unit – own use generation)	6
6	Vouros Power Industries Ltd (Heavy Fuel Oil)	Construction and Operation of Power Plant (ICE)	49,9
7	EAC	Construction and Operation of Power Plant at Vasilikos – Unit No.4 (CCGT)	220
8	EAC	Construction and Operation – Unit No.5 at Vasilikos (CCGT)	220
9	EAC	Construction and Operation – Unit No.6 at Vasilikos (CCGT)	220
10	Vasilikos Cement Works Ltd	Construction and Operation (ICE – own use generation)	5
11	Elmeni Quarries Ltd	Construction and Operation (ICE – own use generation)	4,7
12	Golar Energy Ltd	Construction and Operation of a Floating Power Plant- Vassilikos (CCGT)-Natural Gas	240
TOTAL (100%)			2083,6
EAC (82%)			1778,0
OTHERS(18%)			305,6

EAC – Electricity Authority of Cyprus
 RES - Renewable Energy Sources
 IPPs - Independed Power Producers
 CCGT - Combined Cycle Gas Turbine
 ICE - Internal Combustion Engine

Until July 2007, CERA issued Licences for new Electrical Energy Generating Stations (Electricity Production from RES) as follows:

S/N	COMPANY NAME	TYPE OF LICENCE	MW
1	EAC	Construction & Operation of Wind Farm	6
2	Ketonis Development Ltd	Construction and Operation of Wind Farm	12
3	Aerotricity Ltd	Construction and Operation of Wind Farm	10,1
4	Ketonis Developments Ltd	Construction and Operation of Wind Farm	34,5
5	Aeoliki Akti Ltd	Construction and Operation of Wind Farm	10
6	D.K. Windsupply Ltd	Construction and Operation of Wind Farm	82
7	TSP Aeolian Dynamics Ltd	Construction and Operation of Wind Farm	30
8	Maseru Ltd	Construction and Operation of Wind Farm	12
9	Trebi Trading Ltd	Construction and Operation of Wind Farm	12
10	Vorima Trading Ltd	Construction and Operation of Wind Farm	12
11	Rokas Aeoliki Ltd	Construction and Operation of Wind Farm	11,5
12	Medwind Ltd	Construction and Operation of Wind Farm	11,5
13	Moglia Trading Ltd	Construction and Operation of Wind Farm	12
14	Stivo Trading Ltd	Construction and Operation of Wind Farm	49,5
15	K.E.Aerodynamics Ltd	Construction and Operation of Wind Farm	12,3
16	K.E.Aerodynamics Ltd	Construction and Operation of Wind Farm	12,3
17	Rokas Aeoliki Ltd	Construction of Wind Farm	13,8
18	Rokas Aeoliki Ltd	Construction of Wind Farm	50,6
19	Rokas Aeoliki Ltd	Construction of Wind Farm	13,8
20	WindPower Ltd	Construction of Wind Farm	14
21	Medwind Ltd	Construction of Wind Farm	12
22	Medwind Ltd	Construction of Wind Farm	12
23	Kounna Steliou Bros Enterprises Ltd	Construction of Wind Farm	15

24	Cypra Ltd	Construction of Power Station from Biomass	1,5
25	Nicos Armenis & Sons Ltd	Construction of Power Station from Biomass	0,25
26	Armenis Farm Ltd	Construction and Operation of Power Station from Biomass	1,0
27	Andreou & Costi Farm Ltd	Construction and Operation of Power Station from Biomass	0,5
28	Andreou & Costi Farm Ltd	Construction and Operation of Power Station from Biomass	0,5
29	Animalia Genetics Ltd	Construction and Operation of Power Station from Biomass	0,5
TOTAL (100%)			465,24
EAC (1,4%)			6,0
OTHERS(98,6%)			459,24

LICENCED CAPACITY OF ELECTRICITY GENERATION IS:

By conventional means, 2080,6MW which include:

- ✓ EAC: 1118MW (53,73%) existing units
- ✓ EAC: 660MW (31,72%) new units
- ✓ Two IPPs 13MW (0,63%) existing units
- ✓ Four IPPs 289,6MW (13,92%) new units

By Renewable Energy Sources 465,24MW which include:

- ✓ EAC: 6MW (1,4%)
- ✓ IPPS: 459,24MW (98,6%)

Having in mind the already licenced electricity generation installations from RES and the prospective investments as well as the submitted timetables of the investors, it is believed that the projects will materialise and operate in the next 2-3 years, if of course the time consuming other bureau critic procedures with respect to obtaining all the necessary approvals for the operation of the said installations are limited or abolished.

APPLICATIONS UNDER CONSIDERATION

On July 2007 CERA iwas examining the following applications for the purpose of authorising new generation investments (conventional units of generation).

S/N	COMPANY NAME	TYPE OF APPLICATION	MW
1	Latomia Farmakas Ltd	Operation & Generation of Electrical Energy (Existing Unit for own use generation)	2,0
2	P.E.C.Powerenergy Cyprus Ltd	Construction& Operation of Power Station (CCGT)	230
TOTAL (100%)			232

On July 2007 CERA iwas examining the following applications for the purpose of authorising new generation investments (electricity generation from RES).

S/N	COMPANY NAME	TYPE OF APPLICATION	MW
1	Medwind Ltd	Construction of Wind Farm	12
2	Medwind Ltd	Construction of Wind Farm	18,0
3	Medwind Ltd	Construction of Wind Farm	20,0
4	Ketonis Developments Ltd	Construction of Wind Farm	33,0
5	Ketonis Developments Ltd	Construction of Wind Farm	16,5
6	Aerotricity Ltd	Construction of Wind Farm	14,4
7	Ketonis Developments Ltd	Construction of Wind Farm	30,0
8	Kounna Steliou Bros Enterprises Ltd	Construction of Wind Farm	20,0
9	Vouros Power Industris	Construction & Operation of Electrical Power Station from Biomass	5,0
10	Ioannis Gregoriou Pigery Ltd	Construction & Operation of Electrical Power Station from Biomass	0,25
11	G.& AF.Energy Ltd	Construction & Operation of Electrical Power Station from Biomass	0,96
12	Sigan Management Ltd	Construction of Electrical Power Station from Photovoltaic	2,0
TOTAL (100%)			172,11

Currently Cyprus is totally dependent on Heavy Fuel Oil and Diesel, which are 100% imported. It is expected that there will be a better generation mix in the near future that shall include renewable generation sources (wind, solar, animal waste etc) and natural gas.

The TSO, in close cooperation with EAC, (the Transmission network owner) has the legal responsibility of preparing a ten year plan for the network requirements to satisfy the secure flow of energy from the generators to the distribution network and customers connected to the transmission network.

The ten-year plan has already been submitted to CERA and has been approved. Same will be under annual review.

The **authorisation procedure and criteria for new generation investments** are as follows:

1. For the purpose of acquiring a License for the Construction and Operation of Electricity Generating Units for the purpose of Supplying Electricity to Eligible Consumers, or for Autogeneration, a specific Application should be submitted, in accordance with Law No. 112(I)/2003 and the Relevant Regulations. The Application must be accompanied by the prescribed Fees and all necessary supporting documents that would allow CERA to complete a detailed examination of the Application and reach a decision.
2. The original "Form of Application of Licence" Part I of the relevant Regulation in accordance to Article 97(2)(d) of the Law of 2003 on Regulating the Electricity Market accompanied with all documents as required by Part II of the same Regulation must be filled in and submitted.
3. The Application Fee covers the registration, examination, evaluation and decision taking process regarding the Application and is not refundable.
4. In addition to other issues, the following are considered important and integral parts of the application:
 - ☞ Designation of the specific proposed erection location (plot of land) which must be accompanied with the written and binding consent of the owner, referring to memos on the title deed, if it is the case
 - ☞ General site planning drawings for the installation of the Units
 - ☞ Environmental Study, carried out by an independent specialist, in which it should be clearly concluded that all criteria for the protection of the Environment will be met and an explicit written undertaking, by the Applicant, of fulfilling these criteria during the Construction and Operation of the Units if the requested licence is granted
 - ☞ Comprehensive and binding time schedule indicating monthly progress of the Project
 - ☞ Financial and/or other Guarantees for the Completion of the Project

5. Applications are examined according to the order of receipt once they are considered as being COMPLETE (i.e. all required documents and information have been submitted).
6. In its decision regarding the issue of Licences and the size of the new Units that will be licensed, CERA seriously takes into consideration, among other criteria, the following:
 - The Adequacy, Reliability and Security of Supply for the following years
 - The Safety of the electricity system, installations and associated equipment
 - The Protection of the Environment
 - The Protection of public Health and Safety
 - Energy Efficiency
 - The introduction and continuation of a healthy Competition for the best interest of the Consumers
 - The Viability of the Project
 - The Fuel to be used
 - The repercussions in the Price of the kilowatt-hour (kWh)
 - The Time Schedule for the completion of the Project
 - Guarantees for the Completion of the Project
7. CERA has the right to cancel the issued Licence in case the agreed timetable, for the completion of the Project, is unduly delayed at any stage beyond three (3) months.
8. In accordance to Law N.122(I)/2003, Article 34(3), the issue of a Licence for the Construction and Operation of a Power Station does not exempt the holder of such licence from the obligation of obtaining other approvals and authorizations (e.g. a Building Permit and a Planning Permit) as required by any other Law.
9. The relevant Law provides, that the Applicant, in the case of an Individual, must be a citizen of the European Union and be resident in a Member State, and in the case of a Legal Entity must be based and have a Registered Company in a Member State of the European Union.

The flowchart below shows the process for the examination of application towards granting a licence.

Flowchart process for examination of application towards granting a licence .

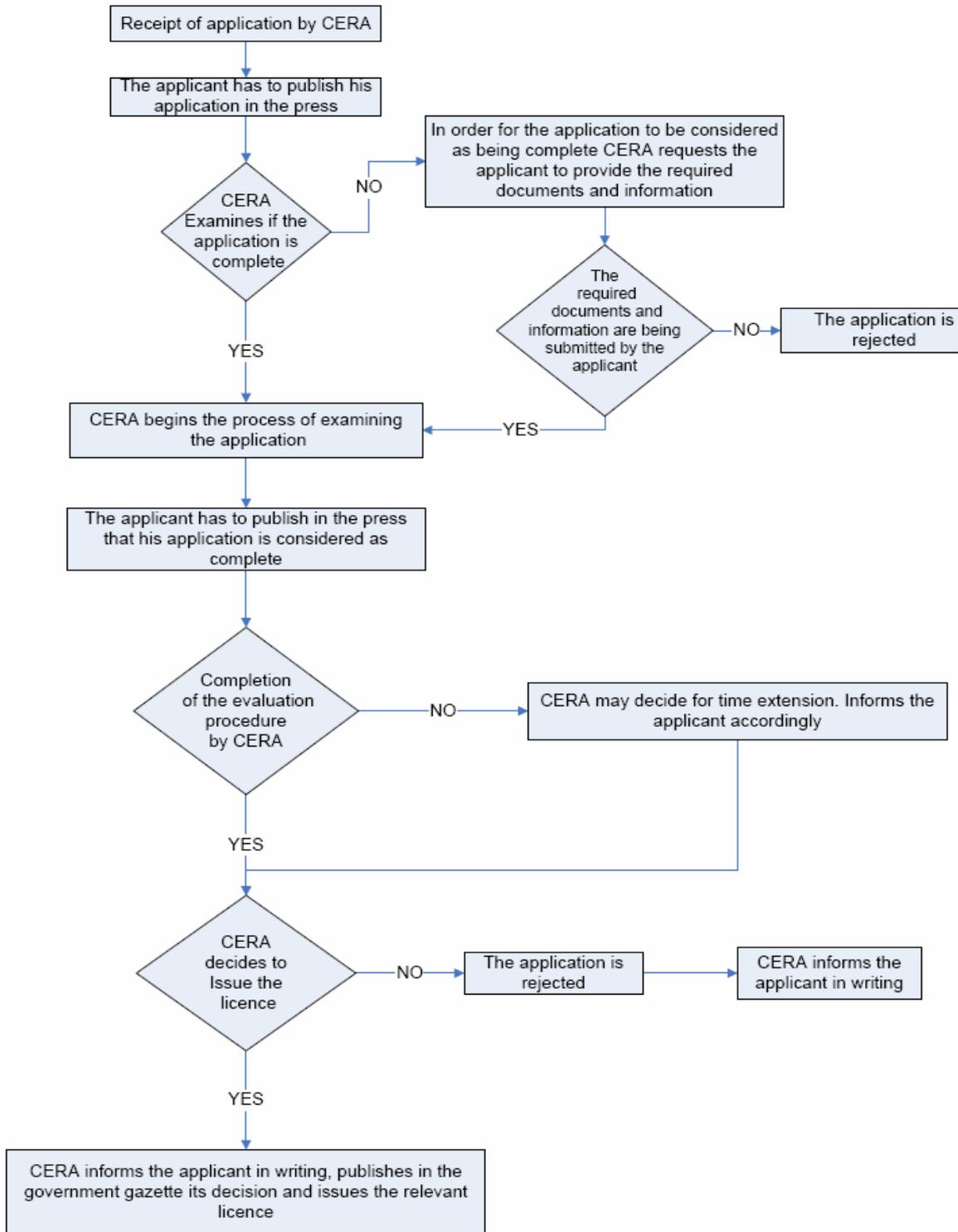


Table 5.1**Security of supply evolution**

	Peak electricity demand (GW)	Available capacity (GW)	For next three (3) years		Plant completed minus plant closed in the year (GW)				
			authorised	under construction	coal and oil	gas	RES	CHP	nuclear
2000	0,688	0,988			0,988	0	0	0	0
2001	0,689	0,988			0,988	0	0	0	0
2002	0,775	0,988			0,988	0	0	0	0
2003	0,776	0,988		0,130	0,988	0	0	0	0
2004	0,821	0,988	0,310	0,130	0,988	0	0	0	0
2005	0,856	1,118	0,246*	0,180	1118	0	0	0	0
2006 est	0,910	1,118	-	-					
2008 est	1,005	1,364*	-	-					

Includes 0,046GW from RES

5.2 Gas [Article 5] and 2004/67/EC [Article 5]

Within the framework of its responsibilities CERA prepared Regulations on the organisation and operation of the Natural Gas Sector, access to the market, the criteria and procedures for the granting of Licences for the transportation, the supply and the storage of Natural Gas. The relevant Regulations have been approved by Parliament and were published on 21/07/06.

Additionally, CERA has prepared draft bills amending the Laws in order to fully transpose the Directives 2003/55/EC (Article 22- New Infrastructure) and 2004/67/EC into the national Laws, which have been forwarded to the Office of the Attorney General for their conformity to the legal, technical aspects, before they are forwarded to the Council of Ministers and the Parliament for approval. It is expected that the proposed amended Laws will be approved by the end of 2007-beginning of 2008.

Furthermore, within the framework of its Energy Policy and in order to safeguard the security of supply, the Government decided on the establishment of an Energy Center in the Vasilikos Area. The Energy Center will consist of a Receiving Terminal, Storage facilities, installations for Regasification of Liquefied Natural Gas (LNG) and a Terminal for the storage and management of petroleum products, including LPG and bitumen. The size of the Centre will be such to meet current and future needs of the country on Natural Gas and petroleum products. Initially, Natural Gas will primarily be used for electricity generation. The Energy Centre will also host the National Security Reserves of Cyprus according to its obligations as a Member State of EU.

It is estimated that the receiving Terminal, Storage and Regasification of Liquefied Natural Gas (LNG) and the main part of the terminal for petroleum products will be completed and ready to commence operation between 2014-2015.

At the same time investors have submitted applications to CERA in order to proceed to the construction and operation of off-shore Floating Storage Station and Regasification of Liquefied Natural Gas. The following applications have been submitted to CERA :

- Construction, operation and exploitation of installations for Import, Storage and Regasification of liquefied natural gas in the Vassilikos sea area for own use (storage capacity 125.000m³)
- Construction, operation and exploitation of installations for Import, Storage and Regasification of liquefied natural gas in the Vassilikos sea area with the intention of supplying natural gas (storage capacity 130.000 m³)

S/N	Name of Company	Type of Application	Capacity of Storage Tanks m ³ x 10 ³	Annual Capability of Supply Gasified and Depressurised Natural Gas under Usual Conditions ISO m ³ x 10 ⁶
1	Golar Energy Ltd	Construction, Operation and Exploitation of Installations of Import/ Storage/ Gasification facilities of Natural Gas for own use - Floating Unit, Vasilikos Sea Area (Larnaka Area)	125	260
2	Vasilikos LNG Ltd	Construction, Operation and Exploitation of Installations of Import/ Storage/ Gasification facilities of Natural Gas for own use and Supply Natural Gas to Wholesale Customers, Supply of Natural Gas to Eligible Consumers and Supply of Natural Gas to Non-Eligible Consumers - Floating Unit, Vasilikos Sea Area (Larnaka Area)	130	3000
TOTAL			255	3260

In case the above investments are licensed the projects are expected to be operational by 2010.

Facilities for distributing natural gas in other parts of the Island, apart from the planned site for the gas terminal, are being discussed but nothing has been decided up to now.

Table 5.2

Security of supply evolution (gas)

	Total gas demand (bcm)	Production capacity * (bcm)	Pipeline import capacity (bcm)	LNG import capacity (bcm)	Forthcoming new capacity (bcm)	
					authorised	under construction
2000	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006 est	N/A	N/A	N/A	N/A	N/A	N/A
2007 est	N/A	N/A	N/A	N/A	N/A	N/A
2008 est	N/A	N/A	N/A	N/A	N/A	N/A
2009 est	N/A	N/A	N/A	N/A	N/A	N/A
2010 est	0,44	3,26	-	3,26	-	-

* *Annual Capability of Supply Gasified and Depressurised Natural Gas under Usual Conditions ISO m3 x 10⁶*

In order to estimate the needs in natural gas, which at least at first will only be used for the generation of electricity, the Electricity Authority's Development Plan was taken into consideration as well as the assumptions that the Independent Producers of Electricity will contribute by 10% at least to the needs of the Electricity Market and that the natural gas will be available by the year 2010.

The Table that follows shows the total installed capacity in MW, as well as the total demand in LNG required for the development programme and of existing electricity generating units to be converted so as to use LNG. In addition all the above is expressed as a percentage of total energy needs of the whole of the island for the period of 2010-2016.

Percentage Penetration of Natural Gas into the Cyprus Electricity Market

Year	Total installed capacity in MW of anticipated new projects (LNG use by EAC and IPPs)	Total installed capacity in MW of existing units to be converted	Total installed capacity in MW using NG as fuel	Total LNG demand in bcm	Annual Maximum demand in MW	Percentage coverage of total demand by units using LNG.
2010	118	390	508	0.50	1175	43.20
2011	565	390	955	1.09	1245	76.67
2012	792	390	1182	1.12	1320	89.55
2013	800	390	1190	1.17	1400	85.0
2014	809	390	1199	1.20	1485	80.7
2015	818	510	1328	1.64	1575	84.30
2016	827	510	1337	1.66	1670	80.06

6 PUBLIC SERVICE ISSUES [Article 3(9) for electricity and 3(6) for gas]

As already pointed out in section 3.1.3 above legislation both primary and secondary, has been enacted covering all the requirements of the Electricity Directive regarding consumer protection complaints procedure, treatment of vulnerable consumers and performance indices that are intended to safeguard quality of service and supply to all consumers.

All Public Service Obligations (PSO's) that EAC had before liberalization are still in force such as universal electricity service provider, and the supplier of last resort, by virtue of the Law 122(I)/2003, and EAC, the Ministry and CERA are currently discussing the PSO regime that will be applicable in the future. Already a Public Service Obligation regarding energy produced by RES has been imposed by the Law, L.33(I)/2003 on EAC whereby EAC or any other supplier shall buy from RES Producers all energy produced at a price defined by CERA.

Furthermore, a decree regarding relief from the price of electricity for multimember families over six (6) members and for disadvantaged families has been issued in April 2006.

Preparatory work is being carried out for the treatment of vulnerable consumers which is expected to be finalized in 2007.

Regarding labeling, at present Electricity bills, apart from basic information, only identify the "extra" amount billed for funding an ongoing "RES Incentive Plan". Future bills will give details for primary energy sources, etc.

EAC is the only licensed supplier in Cyprus supplying the following categories of consumers (April 2007):

• Domestic	353.407
• Commercial	76.765
• Industrial	11.330
• Agricultural	11.774
• Public lighting	7.727
TOTAL	<u>461.003</u>

Table 6

Regulation of end user prices

	Electricity			Gas			
	large and very large	medium industrial and commercial	small commercial and household	power plants	large and very large	medium industrial and commercial	small commercial and household
Existence of regulated tariff (Y/N)	Y	Y	Y				
% customers still on tariff	100	100	100	NOT APPLICABLE			
possibility to switch back to regulated tariff (Y/N)							
Number of suppliers covered by the obligation to supply at tariff (could be all suppliers)	1	1	1				

Due to non-payment 13.681 consumers were disconnected in 2006. Approximately 80% (11.070 consumers) of those disconnected were re-connected after settling their accounts. Performance indicator refers to 24 hours as the time of response.

EAC as the dominant supplier in the electricity market of Cyprus has been nominated as the Supplier of Last Resort in line with the requirements of the Electricity Directive.

ANNEX 1

ELECTRICITY PRICES FOR DOMESTIC AND INDUSTRIAL STANDARD CONSUMERS

ELECTRICITY PRICES FOR INDUSTRIAL STANDARD CONSUMERS

Country / Region : CYPRUS

Date: 01/01/2007 (Most recent available data)

Standard Consumer	Annual Consumption	Maximum Demand	Local Factor	Price exclusive of taxes	Price exclusive of VAT	Price all taxes included
	kWh	kW	h	Cyprus cent per kWh		
1	2	3	4	5	6	7
1a	30.000	30	1.000	7,34	7,47	8,57
1b	50.000	50	1.000	7,32	7,45	8,55
1c	160.000	100	1.600	9,42	9,55	10,96
1d	1.250.000	500	2.500	6,71	6,84	7,85
1e	2.000.000	500	4.000	6,06	6,19	7,09
1f	10.000.000	2.500	4.000	6,05	6,18	7,09
1g	24.000.000	4.000	6.000	5,70	5,83	6,68
1h	50.000.000	10.000	5.000	5,80	5,93	6,80
1i	70.000.000	10.000	7.000	5,54	5,67	6,60

Taxes applied: **VAT @15%**
Renewable Energy Sources charges for 0,13cent/kWh

CY Cent = Euro Cent
 Almost 100% HFO

ELECTRICITY PRICES FOR HOUSEHOLDS

Country / Region : CYPRUS

Date: 01/01/2007 (Most recent available data)

Standard Consumer	Annual Consumption		Approximate subscribed demand (kW)	Price exclusive of taxes	Price exclusive of VAT	Price all taxes included
	Total	Of which night				
Da	600	-	3	7,56	7,69	8,83
Db	1.200	-	3 – 4	7,24	7,37	8,45
Dc	3.500	1.300	4 – 9	6,81	6,94	7,96
Dd	7.500	2.500	6 – 9	6,74	6,87	7,88
De	20.000	15.000	9	5,06	5,19	5,95

MARKER PRICES

**No consumers in any of these
Not Applicable - CATEGORIES**

Currency/kWh	CATEGORY 17.5 - 37.5 MW			37.5 - 62.5 MW			62.5 - 75 MW		
	Price exclusive of taxes	Price exclusive of VAT	Price all taxes included	Price exclusive of taxes	Price exclusive of VAT	Price all taxes included	Price exclusive of taxes	Price exclusive of VAT	Price all taxes included
Marker price	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Taxes applied: [VAT @15% \(recoverable\)](#)
[Renewable Energy Sources charges for 0,13cent/kWh](#)

