

2017

ACTIVITY REPORT



2017  **Activity Report**

ENERGY MARKET REGULATORY AUTHORITY
2017 ACTIVITY REPORT

EPDK CONTACT

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**MESSAGE
FROM THE
PRESIDENT**

A country's being economically and politically strong is directly related with having a financially viable and sustainable energy market. In this vein, especially in recent years, we experienced a period of big structural transformation and improvement in all the field of our sector and it is still continuing. This period is a multidimensional and innovative one experienced in all areas such as market formation and property relations, investment and trade volume, domestic and foreign capital stock, consumer satisfaction, service quality and diversity. As a result of this process, in the field of energy, which is the driving force of its economy, Turkey is enjoying the privilege of having the fastest growing market among the OECD countries both with the quality of its legislation and the sound structure of its markets.

As in the recent years, 2017 was a year of high energy for Turkey. It is obviously not possible to place herein all the steps taken and all the regulations realized by our Authority yearlong. However, I think it will be useful to emphasise some of the vital improvements for our sector and nation.

We overcame a big stage for the supply of natural gas in all 81 provinces of Turkey together with the sector. We successfully completed the natural gas distribution tenders for the remaining 3 provinces; Artvin, Hakkari and Şırnak. Besides, we are expecting that our country's natural gas network will expand with the amendments we made in the legislation for delivering natural gas to our provinces in the form of CNG and LNG.

In addition, Regulation on Organized Wholesale Natural Gas Sale was put into effect with an aim to establish a wholesale market which will serve for the determination of natural gas price within transparent and objective conditions, which is a crucial step for Turkey's target of being a trade hub in energy. Thus, in line with the objective of being a trade hub in natural gas, the legal infrastructure was established for pricing the natural gas in our country and in the accessible markets.

With an aim to increase the share of national and renewable energy sources in electricity generation, we made significant studies together with the related institutions and the sector. We will continue our hard work for the commissioning of electricity generation facilities both licensed and unlicensed.

EMRA is handling its external relations both as being a supporter and when needed as a supplemental point of view and conducts its relations with the vision of "being a prominent and value creating institution in the regional and international energy markets with its expertise". Within the scope of this understanding, in 2017, guiding contributions were continued to be given in the works of the regional associations of which EMRA is a member. Besides, within the scope of the activities during our country's term presidency in BSEC, the energy regulators of BSEC countries were gathered in a round table meeting and the discussions for the inauguration of a BSEC Energy Regulators Forum was initiated.

Our Authority will resolutely continue its work on developing a transparent, non-discriminatory, competitive energy market with its day by day improving monitoring, regulation and audit mechanisms.

In my capacity as the President of the Energy Market Regulatory Authority, I am pleased to present our 2017 Activity Report comprising of the works done in 2017 to the use of related parties. Cordially...

Mustafa YILMAZ

President



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ABBREVIATIONS

EU: European Union

LV: Low Voltage

Ministry/ MENR: Ministry of Energy and Natural Resources

ISMS: Information Security Management System

BİMER: Prime Ministry Communication Center

BOTAŞ: Turkish Petroleum Pipeline Company

CİMER: Presidency Communication Center

CNG: Compressed Natural Gas

EBİS: Electronic Notification System

EBYS: Electronic Document Management System

EGE-PAL: Ege University – Petroleum Exploration Laboratory

ENTSO-E: European Network of Transmission System Operators

EPARS: Energy Market Analysis and Reporting System

EXIST: Turkish Energy Exchange

EPVYS: Energy Market Database Management System

ERRA: Energy Regulators Regional Association

ICER: International Confederation of Energy Regulators

İNÖNÜ-PAL: İnönü University – Petroleum Exploration Laboratory

IPA: EU-Turkey Financial Cooperation Instrument for Pre-Accession

BSEC: Black Sea Economic Cooperation

KEP: Registered Electronic Mail

KTÜ-YUAM: Black Sea Technical University- Fuel Implementation and Research Center

Board: Energy Market Regulatory Board

Authority/EMRA: Energy Market Regulatory Authority

LNG: Liquefied Natural Gas

LPG: Liquefied Petroleum Gases

MEDREG: Association for Mediterranean Energy Regulators

OECD: Organisation for Economic Cooperation and Development

MV: Medium Voltage

OIZ: Organised Industrial Zone

CA: Competition Authority

SOME: Cyber Incidents Response Team

TBMM: Grand National Assembly of Turkey

TEİAŞ: Turkish Electricity Transmission Company

TETAŞ: Turkish Electricity Trade and Contracting Company

TÜBİTAK: Turkish Scientific and Technologic Research Council

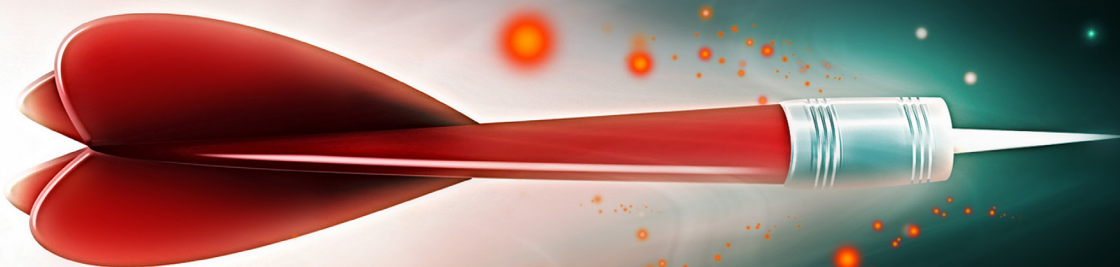
TÜPRAŞ: Turkish Petroleum Refineries Corporation

IEA: International Energy Agency

UGETAM: İstanbul Uygulamalı Gas ve Enerji Teknolojileri Araştırma Mühendislik Sanayi Ticaret CO.INC.

NM: National Marker

SECTION ONE
GENERAL
INFORMATION





1. ENERGY MARKET REGULATORY AUTHORITY

In this section, information is given on the duties, authorities and responsibilities of the Energy Market Regulatory Authority.

1.1. Duties, Authorities and Responsibilities of the Authority

The Energy Market Regulatory Authority (The Authority) was founded as the “Electricity Market Regulatory Authority” with the annulled Electricity Market Law numbered 4628 and published in at 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 at the Official Gazette dated 02.05.2009 and numbered 24390.

The name of the law numbered 4628 was amended with the 30th article of Electricity Market Law numbered 6446, published on the Official Gazette dated 30/03/2013 and numbered 28603, as the “Law on the Organisation and Duties of the Energy Market Regulatory Authority.”

The Authority is a public entity with administrative and financial autonomy. The ministry it is related with 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 establish liaison offices with an aim to sustain customer relations. In this respect there is a liaison office in Istanbul.

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

- Electricity Market Law No: 4628
- Natural Gas Market Law No: 4646
- Petroleum Market Law No: 5015
- Liquefied Petroleum Gases (LPG) Market Law No: 5307
- Electricity Market Law No: 6446

The objective of the aforementioned Laws is to establish a financially viable, stable and transparent energy market, which functions 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, super-

wise 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,
- **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. Structure of the Authority

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

1.2.1. 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 Second 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 Second President. The agenda of each meeting is prepared by the President or in the absence of the President by the Second President and notified to the Board Members.



The Board meets with absolute majority and the decisions are taken with the majority of the participants.

In Table 1.1, the breakdown of Board Decisions taken in 2017 according to the service units is shown. And in Table 1.2, the breakdown of Board Decisions taken in 2013-2017 according to the service units is shown. As seen in Table 1.3, in 2017, the Board took an average of 128 Decisions in a week. The aforementioned Board Decisions are mostly related with audit activities. On the other hand, in 2017 54 Board meetings were held. In 2017, the Board took an average of 124 decisions in each meeting.

Table 1.1: Breakdown of Board Decisions taken in 2017 by Service Units

Name of the Service Unit	# of Decisions	Share (%)
Audit Department (DDB)	2.382	35,70
Electricity Market Department (EPD)	1.878	28,14
Expropriation Department (KDB)	1.010	15,14
Tariffs Department (TDB)	525	7,87
Natural Gas Market Department (DPD)	364	5,45
Petroleum Market Department (PPD)	334	5,01
LPG Market Department (LPG)	116	1,74
Human Resources and Support Services Department (IKD)	35	0,52
Strategy Development Department (SGD)	29	0,43
Legal Department (HDB)	0	0
Special Bureau for the Board (KHM)	0	0
Total	6.673	100

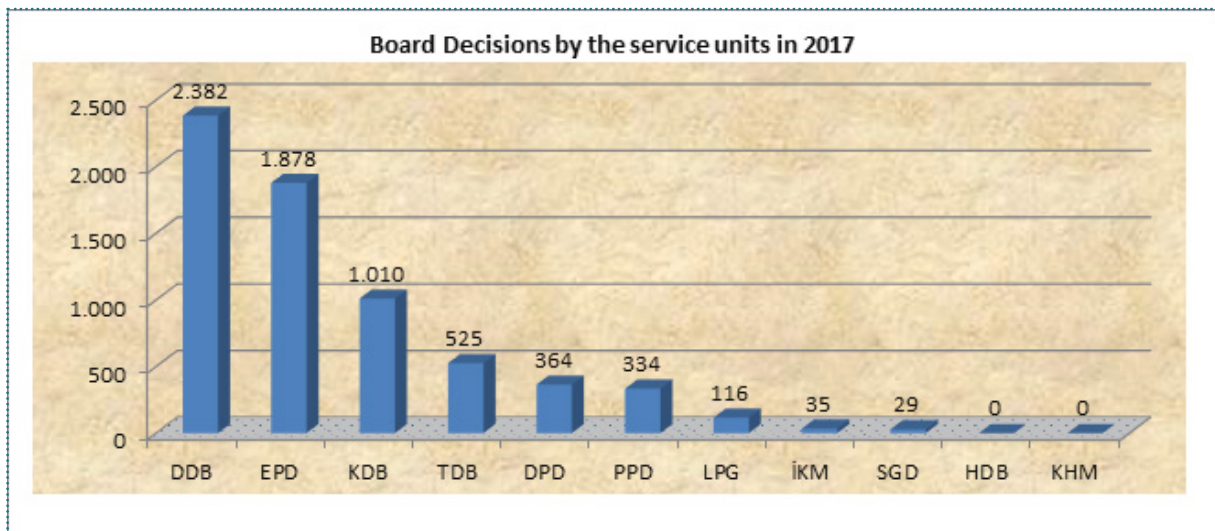


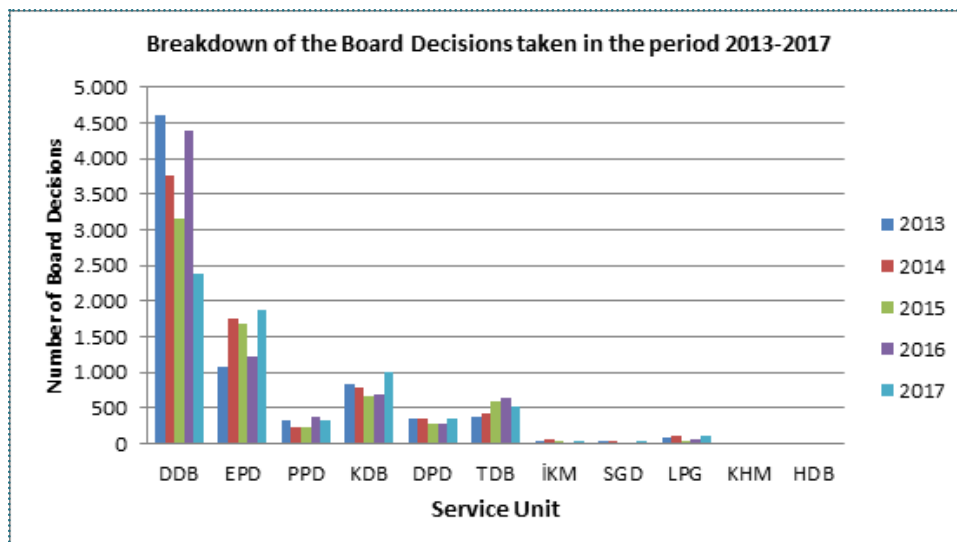
Table 1.2: Breakdown of Board Decisions taken in 2013-2017 by the service units

Name of the Service Unit	2013	Share (%)	2014	Share (%)	2015	Share (%)	2016	Share (%)	2017	Share (%)	Total	Share%
AD	4.598	59,33	3.769	49,86	3.163	47,01	4.377	56,90	2.382	35,70	18.289	50,24
EMD	1.074	13,86	1.753	23,19	1.676	24,91	1.214	15,78	1.878	28,14	7.595	20,86
ED	848	10,94	800	10,58	658	9,78	698	9,07	1.010	15,14	4.014	11,03
TD	369	4,76	429	5,68	588	8,74	637	8,28	525	7,87	2.548	7,00
NMD	347	4,48	360	4,76	293	4,35	280	3,64	364	5,45	1.644	4,52
PMD	335	4,32	225	2,98	245	3,64	381	4,95	334	5,01	1.520	4,18
LMD	79	1,02	103	1,36	39	0,58	63	0,82	116	1,74	400	1,10
HRD	44	0,57	72	0,95	35	0,52	20	0,26	35	0,52	206	0,57
SDD	34	0,44	48	0,64	28	0,42	21	0,27	29	0,43	160	0,44
LD	22	0,28		0,00	1	0,01	1	0,01	0	0,00	24	0,07
SBB					3	0,04	1	0,01	0	0,00	4	0,01
Total	7.750	100	7.559	100	6.729	100	7.693	100	6.673	100	36.404	100

Table 1.3: General Breakdown of the Board Decisions taken in 2013-2017

Years	2013	2014	2015	2016	2017	5 Years total /Average Figures
Total Number of Decisions	7.750	7.559	6.729	7.693	6.673	7.281
Number of Meetings	69	59	65	56	54	61
Average number of Decisions per meeting	112	128	104	137	124	121
Average number of Decisions per week	149	145	130	147	128	140

As shown in the tables, in the period between 2013-2017, the Board took an average of 7281 decisions in a year. In the said period, an average of 121 Board Decisions per meeting and 140 Decisions per week was taken. In the said period, about 50% of the Board Decisions were related with audit, 21% about electricity market and 11% about expropriation activities.





Decisions of administrative sanctions of the Board can be litigated at the Competent Administrative Court. Any lawsuits against Board Decisions are deemed as having priority.

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.

1.2.2. 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 Second President assumes all duties and powers of the President in the absence of the President.

With a Board Decision, two Vice Presidents may be assigned to help the President perform his/her duties related with the Presidency. Vice Presidents are responsible for the execution of the duties assigned by the President and for the coordination among the related service units.

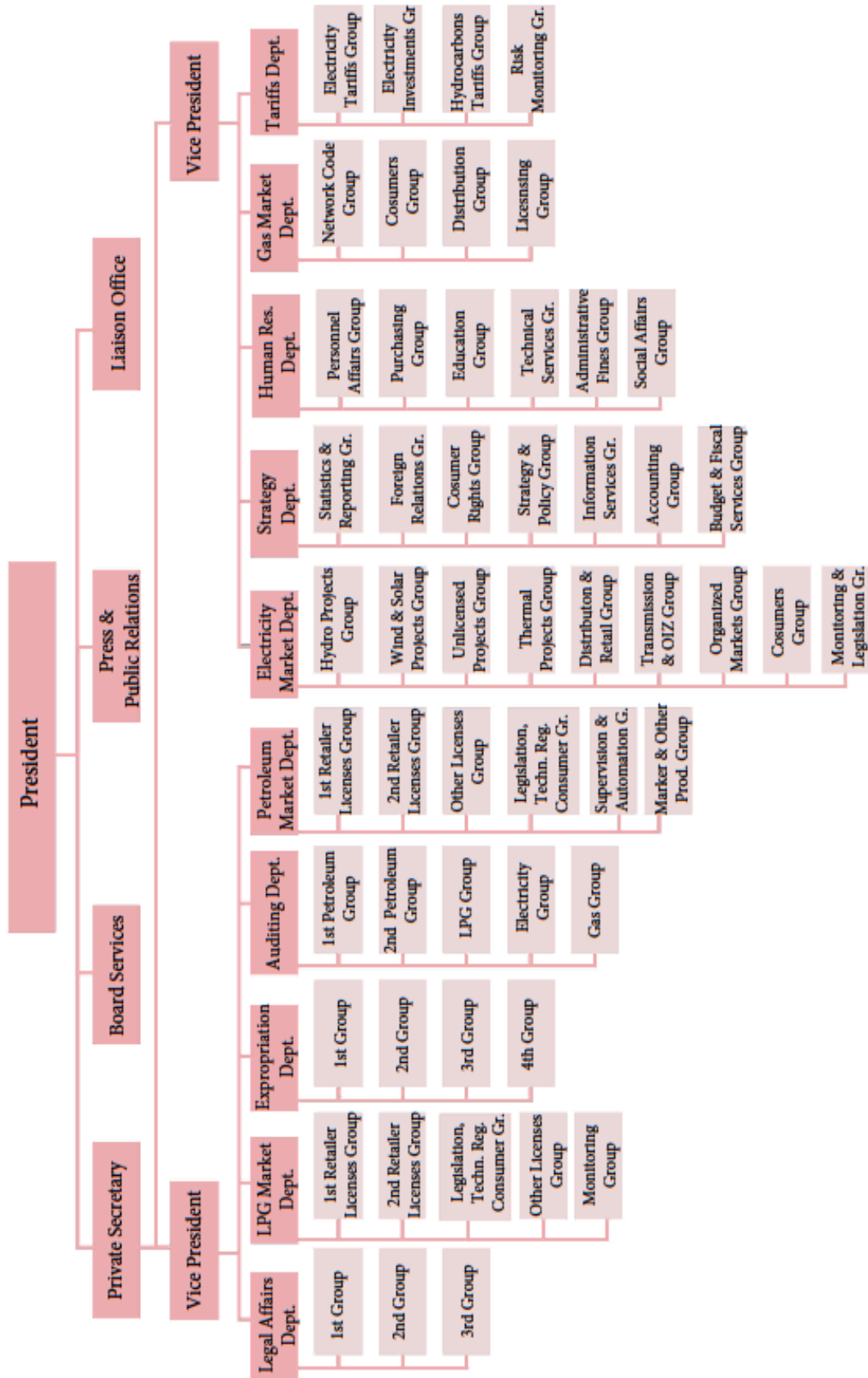
The duties and powers of the Presidency are stated in the paragraph 10 of Article 5 of the Law Numbered 4628.

1.2.3. Service Units

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 "Law on Organisation and Duties of the Energy Market Regulatory Authority No:4628" and 'Regulation on the Organizational Structure of EMRA and the Working Principles and Procedures Applicable to its Employees', published in the Official Gazette dated 18/05/2014 and numbered 29004.

Hereunder are the service units as defined in the Law No:4628;

- a) Electricity Market Department
- b) Natural Gas Market Department
- c) Petroleum Market Department
- d) Liquefied Petroleum Gases Market Department
- e) Tariffs Department
- f) Audit Department
- g) Expropriation Department
- h) Legal Department
- i) Strategy Development Department
- j) Human Resources and Support Services Department Başkanlığı
- k) Office of Press and Public Relations Counsellor
- l) Special Bureau for the Board
- m) Special Bureau for the President





1.3. Auditing of the Activities of the Authority

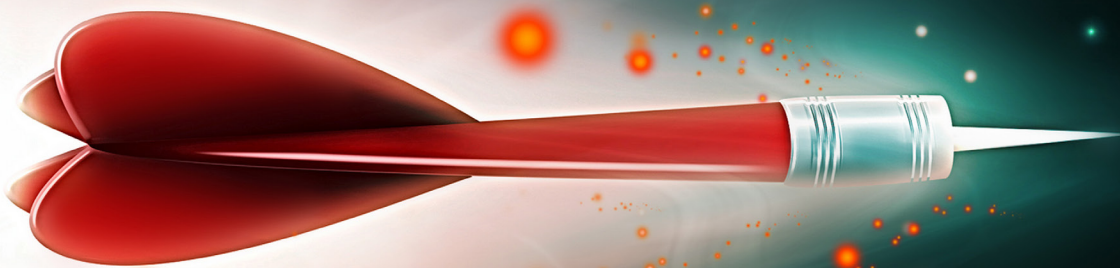
The Authority is subject to only the Articles of 3, 7, 8, 12, 15, 17, 18, 19, 25, 43, 47, 48, 49, 50, 51, 52, 53, 54, 68 and 76 of the Public Finance Management and Control Law No:5018. Within that scope, the external audits of the Authority are made by the Supreme Court of Accounts as per the Article 68 of the Law No:5018.

The aim of the ex-post external audit made by the Supreme Court of Accounts is, to examine the financial activities, decisions and transactions of the institution with regard to their compliance with laws, institutional objectives and plans and reporting the results to the Turkish Grand National Assembly.

On the other hand, as per the Article 19/A of the Law No:2046 amended by the Article 45 of the Executive Order No:649 published in the Official Gazette dated 17/08/2011 and numbered 28028, The Minister is entitled to audit all activities and transactions of the Authority.

Beside, in case an application is filed, the Authority can be audited by the State Supervisory Council and Prime Ministry Inspection Board.

SECTION TWO
INFORMATION ON
ACTIVITIES





2. LEGISLATION ACTIVITIES

In this section, the legislation activities in 2017 regarding the Electricity, Natural Gas, Petroleum and Liquefied Petroleum Gases (LPG) markets are explained.

2.1. Electricity Market Legislation

2.1.1. Law

In 2017, the following amendments were made in the Electricity Market Law No:6446;

- Article 17 of the Law amending the Law on Restructuring Some Receivables and a Decree Law No: 18/05/2017 and numbered 7020 published in the Official Gazette dated 27/05/2017 and numbered 30078 and the first paragraph of Article 27 of the electricity Market Law No:6446 titled "Rights and Liabilities of TETAŞ" was amended as follows;

"Shall be able to sign energy sale and purchase agreements within the scope of electricity power exchange, import and export agreements and current derogation and implementation contracts."

With Art. 18 of the same Law, the following Provisional Article was inserted in the Law No:6446;

"Procedures for non-commissioned licenses or pre-licenses"

PROVISIONAL ARTICLE 21 – (1) Provided that the legal persons willing to terminate their current generation or autoproduction pre-licenses or licence sor license applications apply to the Authority within 2 months following the effectiveness date of this Article, their pre-licenses, licenses or license applications shall be terminated and their letter of guarantees shall be returned."

- The due dates stated in the decision annexed to the Decree of the Council of Ministers dated 5/6/2017 and numbered 2017/10451 published in the Official Gazette dated 28/7/2017 and numbered 30137 and the due dates stated in the fourth paragraph of the Provisional Article 4 of the Law No: 6446 were extended to 31/12/2025. With the aforementioned paragraph, it has been stated that the electricity generation facilities based on renewable sources including the ones commissioned as of the effectiveness date of the Law No:4646 and the ones that will be commissioned until 31/12/20165 within the scope of the Law No: 5346 and the electricity generation facilities which will be commissioned within the period of the effectiveness date of Law No: 6446 and 31/12/2025 in which the mines listed in the İtem (b) of the 4. Group in the Art. 2 of the Law No:3213 are used as an input within the scope of a mining permit granted by the Ministry, transportation roads, energy transmission lines up to the system connection points stated in their licenses, including the ones to be transferred to TEİAŞ and the distribution company, shall have 85% reduction in permit, lease, usufruct rights and occupancy permit fees for the first ten years of commissioning as of the date of the permit granted by the related institution.
- The following additional paragraph was inserted in the Art.87 of the Law amending some Laws and Decree Laws for Improving Industry and Supporting Production dated 18/06/2017 and numbered 7033 published in the Official Gazette dated 01/07/2017 and numbered 30111 and to the Art. 13 of the Electricity Market Law No: 6446;

"(7) The organized industrial zones which fulfill the conditions of reclamation stipulated by the Reclamation Commission and granted a legal personality by the Ministry of Science, Industry and Technology, shall not be able to apply for a Distribution License until the contract of transfer of

operational rights within their regions terminates. The ownership of the distribution facilities established by the reclaimed organized industrial zones or transferred with the symbolic price or as gratis, shall be transferred to the related organized industrial zone with a symbolic price or as gratis."

- Art.112 of the Law amending some Tax Laws and Some Other Laws dated 28711/2017 and numbered 7061 published in the Official Gazette dated 05/12/2017 and numbered 30261 was amended as follows and the same sentence was added to the seventh paragraph of Art. 16 of the Electricity Market Law No:6446 titled "Sanctions and the Procedures for Implementing the Sanctions";

- "(8) Apart from the audits of the Electricity Distribution Companies, time is given for elimination of deficiencies in terms of missing or not working armatures and/or lampposts within the scope of general lighting. In cases where it is determined that the deficiencies are not eliminated within the given time period an administrative sanction of five hundred Turkish Liras shall be imposed upon the notification made by the Ministry to the Board. The time to be given for the elimination of deficiencies and the principles for determining the deficiencies shall be set forth by a Regulation. The imposed administrative fines shall be paid within one month upon notification.

-The phrase "until two years" was amended as "until five years" in Art. 113 of the Law amending some Tax Laws and Some Other Laws and in the second sentence of first paragraph of the Provisional Article 6 titled "General Lighting"

2.1.2. Regulations

In 2017 the following works on secondary regulations were conducted;

- Some extensive amendments were made in the Regulation on Preparation and Implementation of Tender Procedures and buying-selling of Electricity Distribution Companies with the amending regulation published in the Official Gazette dated 31/05/2017 and numbered 30082. The scope of the regulation was extended by the aforementioned amendments. Besides, the definitions of "framework agreement", "tendering by invitation", "direct procurement", "tender", "tender document" and "tender file" were changed and "short list", "framework agreement purchase contract", "approximate cost", "contractor" definitions were added. All items stated in the second part of the Regulation titled "Basic Principles" were changed, some amendments were made in Art. 10 titled "Publications" and in the "Provisional Article 1"
- Regulation on Competition Regarding the Pre-license Applications to Establish Generation Facilities Based on Wind and Solar Energy was published in the Official Gazette dated 13/05/2017 and numbered 30065. In the Regulation, the rights and liabilities of the legal persons to bid and the principles and procedures regarding the competition to be made by TEİAŞ based on the lowest price bidden over the prices stated in the annex (I) of the Law No:5346 in cases where there are more applications than the capacity announced for connection to the same connection region in the pre-license applications made to establish generation facilities based on wind or solar energy within the scope of the Electricity Market Law No:6446 and/or in cases where there are more than one application for the same region, were stated.
- Extensive amendments were made in the Electricity Market Connection and System Use Regulation by the Regulation Amending the Electricity Market Connection and System Use Regulation published in the Official Gazette dated 01/06/2017 and numbered 30083. With the amendment there has been changes and additions in the definitions. Besides there have been amendments in the arti-



cles titled; connection opinions given for generation facilities, connection and system use agreements, contracted energy, application for connection, connection opinion, connection line, connection and system use agreements, connection to the system, distribution assets, payment procedures, renewal, force majeure, transfer of the lines connecting the generation facility to the Distribution Company, facilities in the possession of national security institutions, methodology on the transmission and distribution assets established by the user, reimbursement of distribution assets through deduction, revision of contracted power, lines connecting the generation facilities connected to the system at MV level and which are transmission system users, submission to the Authority of the facility operation protocols.

- With the Regulation amending the Electricity Market Licensing Regulation published in the Official Gazette dated 24/02/2017 and numbered 29989, extensive amendments were made for alignment intended for supporting Renewable Energy Resource Areas.
- Regulation Amending the Electricity Market Licensing Regulation was published in the Official Gazette dated 09/06/2017 and numbered 30091. The right to sign energy sale and purchase agreements within the scope of electricity power exchange, import and export granted to TETAŞ by Law No: 6446 was transferred to Electricity Market License Regulation. The term given for the generation license of Renewable Energy Resource Areas was limited to the term given as per the RERA Regulation.
- Regulation Amending the Electricity Market Licensing Regulation was published in the Official Gazette dated 15/12/2017 and numbered. Within that scope;
 - A more flexible arrangement was made regarding data processing and data processing systems. It was stated that the partial operational part of the generation facility should not be taken into consideration in the calculation of the license fee for the extension of the completion period of the facility.
 - In the Electricity Market, the legal unbundling issue has reached a certain level and as it is deemed that there is no need to periodically report every year, necessary arrangement has been made to ensure that monitoring can be done through requesting information from the companies only if needed.
 - Arrangements have been made with the aim of bringing an exception to the share transfers between the spouses and those who are blood relatives at the first rank and the changes in the partnership structure of the preliminary licensee seized by the Savings Deposit Insurance Fund.
 - In the second paragraph of Article 57 titled "Share transfers" of the Regulation, it is obligatory to request the amendment of the license within 3 (three) months from the date of completion of the share transfer, in order to determine a period for the notification made to the Authority after the share transfer has been completed.
 - The belowmentioned clause has been added to the same Article to inform the Authority within one year at the latest within the framework of the changes in the partnership structure of the licensee due to foreign partnerships and to make a request for license amendment if necessary.
 - "Except for the legal persons dealing with the activities with regulated tariffs, the indirect partnership structure change caused by the changes in the partnership structure of the resident legal entity partner of the licensee's legal entity and the change in the partnership status of the legal entity having the license through the, or for the transactions resulting therefrom

shall be informed to the Authority within a year at the latest and if required for such amendments, it is obligatory to request the amendment of the license within 6 (six) months from the date of the information. "

- The Regulation Amending the Electricity Market Balancing and Settlement Regulation was published in the Official Gazette dated 14/01/2017 and numbered 29948. Amendments are about Article 30/A titled "*procedures for supplier change of eligible consumers' power supply/draw units subject to balancing*", Article 30/B titled "*Eligible Consumer Database*" and Article 30/C titled "*Eligible Consumer Portal*".
- The Regulation Amending the Electricity Market Balancing and Settlement Regulation was published in the Official Gazette dated 16/05/2017 and numbered 30068. Amendments are about Article 17 titled "*Registration obligation of the market participants*", Article 132/D titled "*Insolvency of the advance payments*" and Article 132/E titled "*Insolvency of bill payments*".
- Regulation Amending the Electricity Network Regulation was published in the Official Gazette dated 22/04/2017 and numbered 30046. The main reason for the amendments are TEİAŞ's demands and the changes in the primary frequency contribution rates. To this end, the belowmentioned Articles of the regulation were amended;
 - Art. 9 titled "*Transmission system voltage fluctuation waveform quality*"
 - Art. 11 titled "*Voltage fluctuations and flicker*"
 - Art. 12 titled "*Phase imbalances*"
 - Art. 13 titled "*Current Harmonics*"
 - Art. 17 titled "*Technical criteria regarding facility and equipment*"
 - Art. 19 titled "*Generation switchgear design and connection principles*"
 - Art. 20 titled "*Generation facilities design and performance principles*"
 - Art. 21 titled "*Generator control mechanisms*"
 - Art. 29 titled "*Data communication system*"
 - Art. 42 titled "*Generation capacity projections and short-term electricity supply-demand projection*"
 - Art. 94 titled "*Principles for numbering and naming*"
 - Art. 105 titled "*Primary frequency control*"
 - Art. 109 titled "*Reactive power control*"
 - Provisional Art. 4 titled "*Network connection criteria for wind and photovoltaic generation facilities*"
 - Provisional Art. 5 titled "*power values regarding reactive power control*" and the Annexes-7, 18, 19, 20, 21, 22 were amended and Annex 24 was added.
- Regulation amending the Electricity Market Network Regulation was published in the Official Gazette dated 26/11/2017 and numbered 30252. With the amendments the following provisions



were added to the Regulation; "For the facilities to be performing Instant demand control, reactive power control, blackout and system restoration services, as per the Electricity Market Ancillary Services Regulation, related ancillary services agreement shall be signed between TEİAŞ and the legal or real persons to be the service provider" and "For the generation facilities to be commissioned, the legal persons in possession of the facility shall submit TEİAŞ the reactive power support service certificate, before starting the service and within 90 days as of the provisional acceptance date.

- Regulation Amending the Electricity Market Network Regulation published in the Official Gazette dated 26/11/2017 and numbered is about stand-by reserve service and Electricity Market Ancillary Service Regulation.
- With the Regulation Amending the Exempted Electricity Generation in the Electricity Market published in the Official Gazette dated 15/05/2017 and numbered 30067, there have been amendments in the Regulation on Exempted Generation in the Electricity Market.
- With the Regulation Amending the Electricity Distribution and Retail Sale Service Quality Regulation published in the Official Gazette dated 11/05/2017 and numbered 30063 there have been amendments in the Electricity Distribution and Retail Sale Service Quality Regulation. The amendments are on Art.24 titled "Measurement of the technical quality and submission of the same to the Authority" and Art.27 "General Quality Report". Besides, Provisional Art.12 titled "Implementations in 2017" was added to the Regulation.
- With the Regulation amending the Regulation on Principles and Procedures to be Applied in the Audits, Preliminary examinations and Investigations in the Electricity Market published in the Official Gazette date 04/01/2017 and numbered 29938, there have been extensive amendments. The amendments are on Art.4 titled "Definitions" and Art.6 "Execution of Audits" and on section 3 titled "Principles and Procedures on Preliminary Examinations and Investments".
- With the Regulation Amending the Regulation on Documentation and Support of Renewable energy Resources published in the Official Gazette dated 23/02/2017 and numbered 29988 the following paragraph was added to Art.4 titled "RES support mechanism"; *"In case the generation facilities owned by the state and subject to RES Support Mechanism are privatized as per the Law on Privatization Implementations dated 24/11/1194 and numbered 4046; the rights and liabilities of the said generation facility stemming from the RES Support Mechanism, provided that the legal person taking over the generation facility through privatization gets a generation license, shall be valid until the end of the related calendar year on the legal person's behalf taking over the facility's.*
- With the amendment published in the Official Gazette dated 11/05/2017 and numbered 30063 on Regulation on Documentation and Support of Renewable Energy Resources, amendments were made in Art.4 titled "Definitions", Art.14 titled "Calculation of payment liability amount", Art.15 titled "Calculation and Sharing of the YEKDEM portfolio income" and in Art.15 titled "Calculation of YEKDEM Fees". Provisions on hybrid facilities were excluded from the regulation. Provisional Art. 2 was amended and Provisional Art. 3 was added.
- Electricity Market Ancillary Services Regulation was published in the Official Gazette dated 26/11/2017 and numbered 30252 to be effective as of 01/01/2018.

2.1.3. Communiqués

- The Communiqué amending the Communiqué on the Implementation of the Regulation on Exempted Electricity Generation was published in the Official Gazette dated 15/05/2017 and numbered 30067. The amendments are about the articles titled “ determining the surplus energy amount” and “purchase of the surplus energy amount”.
- The Communiqué amending the Communiqué on Regulating the Retail Energy Sale Price” was published in the Official Gazette dated 05/01/2017 and numbered 29939. The amendments are about the articles titled “definitions”, “scope of components of retail sale price”, “components of regulated operational costs”, data and calculations on stranded costs” and “scope of energy supply price”.
- The Communiqué amending the Communiqué on Regulating the Distribution System Revenue was published in the Official Gazette dated 05/01/2017 and numbered 29939. The amendments are on the articles titled “definitions”, “costs of using the distribution system”, “calculations of system operation revenue requirements”, “procedures of regulated operational costs”, “investment cost being over and short”, “asset sale revenues”, “submission of data on demand, loss, quality targets and productivity parameters”, “calculation of system operation revenue cap”, “adjusted operation revenue cap” “scope of other revenues” and “lost energy revenue cap and adjustment component”.
- Communiqué on the determination of Distribution Connection Fees in the Electricity Market was published in the Official Gazette dated 18/10/2017 and numbered 30214. The objective of the Communiqué is to set the principles and procedures for determining the connection fees within the scope of distribution connection tariffs.
- The Communiqué amending the Communiqué on regulating the retail energy sale prices was published in the Official Gazette dated 15/12/2017 and numbered 30271. The amendments are on the Articles titled “definitions”, “scope and components of retail sale price”, “components of regulated operational costs”, “data and calculations on stranded costs”, “scope of energy supply cost”.
- The Communiqué amending the Communiqué on Regulating the Distribution System Revenue was published in the Official Gazette dated 16/12/2017 and numbered 30272. The amendments are about the articles titled “definitions”, “costs for using the distribution system”, “calculations on system operation revenue requirements”, “calculations on regulated operational costs”, “data and calculations on investment cap”, “calculation of system operation revenue cap”, “service quality and performance incentives”, “regulated operation revenue cap”, “scope of other revenues”, “lost energy revenue cap and reconciliation component”, “distribution revenue cap calculations for 2018” and “2018, 2019 and 2020 years quality factor implementations”.
- The Communiqué on the Administrative Fines to be Applied in 2018 as per the Art. 16 of the electricity Market Law No:6446 was adopted on 01/01/2018.

2.1.4. Board Decisions

With the Board Decision dated 29/12/2017 and numbered 30285 published in the Official Gazette dated 30/11/2017 tarihli ve 7474 and as per the paragraph (b) of the Art.5 of the Law on Organization and Duties of the Energy Market Regulatory Authority and the Art. 25 of the Electricity Market Consumer Services Regulation, the eligible consumer limit for 2018 was determined to be 2.000 kWh. The theoretical market opening rate was calculated as 92,6%.



Table 2.1: The change of eligible consumer limit in the electricity market by years(2005-2018)

Year	Eligible Consumer Limit (kWh)	Theoretical Market Opening Ratio (%)
2003	9.000.000	-
2004	7.800.000	27,8
2005	7.700.000	30
2006	6.000.000	32
2007	3.000.000	38,6
2008	1.200.000	41
2009	480.000	49,2
2010	100.000	63,3
2011	30.000	78
2012	25.000	83
2013	5.000	84
2014	4.500	85
2015	4.000	85,04
2016	3.600	85,8
2017	2.400	90
2018	2.000	92,6

- With the Board Decision dated 05/01/2017 and numbered 6851 published in the Official Gazette dated 06/01/2017 and numbered 29940 the following paragraph was added to the provisional Article 1 of the Decision on the amendment of principles and procedures for determining the maximum and minimum price limits in the day-ahead market; “(3) the minimum price limits for the related markets shall be 0 TL/MWh whereas the maximum price limits shall be 500 TL/MWh between the dated 06/01/2017 and 01/03/2017. The provisions of second paragraph of Art. 4 of this Principles and Procedures shall not be applied between those dates.” This provision entered into effect as of 06/01/2017.
- With the Board Decision dated 09/03/2017 and numbered 6956-32, the dates for accepting the wind energy prelicense applications for the whole capacity announced as per the Art.12 of the Electricity Market License Regulation were determined.¹
- With the Board Decision dated 20/04/2017 and numbered 7042-5 published in the Official Gazette dated 28/04/2017 and numbered 30051, the decision for amending the structure of the day-ahead market proposals and evaluation of the proposals were adopted. With the Board Decision, amendments were made in the structure and content of the block proposals.
- With the Board Decision dated 20/04/2017 and numbered 7042-6 published in the Official Gazette dated 28/04/2017 and numbered 30051, extensive amendments were made in the Principles and Procedures for Security Deposits adopted by the Board Decision dated 13/05/2016 and numbered 6282-3 published in the Official Gazette dated 28/05/2016 and numbered 29725.
- With the Board Decision dated 22/06/2017 and numbered 7150-1 published in the Official Gazette

¹ With the Board Decision dated 14/03/2018 and 7738-7 published in the Official Gazette dated 24/03/2018 and numbered 30370, it was decided to accept the prelicense applications for wind energy between 6,7,8,9 April 2020.

dated 24/06/2017 and numbered 30106, decision was taken for the projects determined to be using illegal electricity in the consumption facility related with the exempted generation facility.

- With the Board Decision dated 22/06/2017 and numbered 7150-2 published in the Official Gazette dated 24/06/2017 and numbered 30106, decision was taken for the projects that had been disconnected for debts and/or whose retail sale contract had been terminated in the consumption facility related to exempted generation facilities.
- With the Board Decision dated 22/06/2017 and numbered 7150-3,4,5 published in the Official Gazette dated 24/06/2017 and numbered 30106, different decisions were taken for the generators which fall under the scope of the Art.5 of the Exempted Generation Regulation and which were announced to be liable to receive a letter of call for connection agreement before 23/03/2016 on the web page of the related network operator and according to the increase or decrease in the installed capacity indicated in the letter of call for connection agreement.
- With the Board Decision dated 24/08/2017 and numbered 7262-3 published in the Official Gazette dated 26/08/2017 and numbered 30166, decision was taken for the generation facilities which fall under the scope of the Art. 5 of Exempted Electricity Generation Regulation and which have more than 1 MW of installed capacity in the Letter of Call for Connection Agreement and which were commissioned upon completion of provisional acceptance.
- With the Board Decision dated 02/11/2017 and numbered 7422 published in the Official Gazette dated 09/11/2017 and numbered 30235, Principles and Procedures for ensuring the remote Access of distribution licensees in the electricity market to the information systems by the Authority was adopted.
- With the Board Decision dated 09/11/2017 tarihli ve 7428-13 published in the Official Gazette dated 14/11/2017 tarihli ve 30240, the Distribution Connection Fees in the Electricity Market and the Principles and Procedures for Implementation, approved by the Board Decision dated 03/11/2010 and numbered 2861 published in the Official Gazette dated 15/11/2010 and numbered 27760 was repealed.
- With the Board Decision dated 13/12/2017 and numbered 7522-1 published in the Official Gazette dated 20/12/2017 and numbered 30276; it was decided to apply the tolerance coefficient, previously defined as 0,98 for licensed generation facilities with all resource types, in the 15th and 18th articles of the Regulation on the Certification and Support of Renewable Energy Sources, as shown in the following Table for the facilities of different resource types as of 01/01/2018.

Table 2.2: J Coefficient According to Resource Type

Resource Type	J Coefficient
Canal Type	0,98
Reservoired	1
Wind	0,97
Geothermal	0,995
Biomass	0,99
Solar	0,98

- With the Board Decision dated 21/12/2017 and numbered 7531, published in the Official Gazette dated 30/12/2017 and bis numbered 30286, Principles and Procedures for Quality Factor Implemen-



tation were adopted to calculate the quality factor to be taken into consideration in calculation of the system operation revenue caps of the electricity distribution companies.

- With the Board Decision dated 21/12/2017 and numbered 7533-1 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Electricity Market Connection and System use Regulation, the principles and procedures for takeover of the electricity facilities under the possession of the user by electricity distribution companies aiming to set forth the principles and procedures of the takeover of electricity facilities under the possession of the user which falls within the scope of Art. 37 of the Connection and System Use Regulation, by the distribution companies were adopted and gained effectiveness upon publication.
- With the Board Decision dated 21/12/2017 and numbered 7557 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, the fees for pre-license and license acquisition, annual license, license renewal, prelicense and license modification and getting a copy of the prelicense and license were determined for 2018.

2.2. Natural Gas Market Legislation

2.2.1. Law

The belowmentioned amendments were made in the Natural Gas Market Law in 2017;

- With the Article 61 of the Law on the Amendment of Certain Laws and Decrees on for the Development of the Industry and the Support of Production published in Official Gazette dated 07/01/2017 and numbered 30111, the following Subparagraph (7) was added to the fourth paragraph (g) of Article 4 of the Natural Gas Market Law No 4646:

"7) Natural Gas Distribution Companies may carry out Distribution activities in the organized industrial zones by making network and connection line investments for the organized industrial zones with the request and approval of the organized zones. The procedures and principles regarding the conditions under which these activities can be carried out shall be determined by the Board with the views of the Ministry and the Ministry of Science, Industry and Technology. The investment and operating expenses to be made by the Distribution Companies in accordance with the prescribed procedures and principles shall be taken into consideration in the tariffs."

2.2.2. Regulations

- Extensive amendments were made in the Natral Gas Market Distribution and Customer Services Regulation with and amending regulation published in the Official Gazette dated 09/06/2017 and numbered 30091.
 - *"Definitions of the subscriber connection fee and prepaid meter definitions in the 4th article were changed.*
 - *The clause "USD dollars" in Art.14 titled "assets to be accepted as security deposit" was changed into "Turkish Liras".*
 - *The clause "The procedures and principles regarding the determination, amendment, minimum provisions to be included in the contracts and execution of the control activities shall be determined by the Board "was added to the 18th Article titled" Controlling, commissioning and acceptance of investment"*
 - *"Items (c) and (d) of Article 20 titled "cases in which the temporary or definitive security is to be*

recorded as income” have been combined and added “the obligations of the guarantee letter have not been fulfilled”.

- *In case the service line is not started to be manufactured with the changes made in the 36th article titled “Connection”, the arrangement for the subscriber connection fee has been introduced and the period for completing permission applications to the related institutions and establishments regarding the construction of the service line has been determined and the procedure for subscribed connection fee the relevant regulation has been introduced and also the procedures and principles regarding the application of the natural gas customers, which are the individual connection lines, by changing the provisions governing the connection of another customer over these lines, are determined by the Board Decision.*
- *With the amendment made on the Art.37 titled “Internal Installation Approval and Operation “, submission of the copy of the insurance policy to the Distribution Company by the internal installation certified company was introduced.*
- *Within the scope of the amendments in the Art.38 titled “Customer Contracts “, the time limit for the use of Natural Gas and the control of the installation of natural gas in the new subscription transactions to be made in the same address after the first subscription has been restricted, the provision that the deficiencies found in the control installation will be remedied by the certified companies has been added. the regulation on the application of the specified type of customer contract has been made and the regulation on the subscription of the deceased subscriber to the subscriber without the new assurance fee has been added,*
- *With the amendment made on the 40th Art. titled “Meter”, provision has been added that all the faults and problems that occur in the subscriber meters and that prevent the continuation of the supply of the gas should be corrected within 24 hours after the Distribution Company’s fault report has been made. On the other hand, It has been decided that the mentioned subject will be applied for prepaid meters for 48 hours until 01/06/2018.*
- *With the amendments made to the Art. 44 titled “Suspension of Service”, there has been a change in the cases where distribution companies may interrupt gas and the way of distribution companies’ notifying the interruption and also the provision of not interrupting on Fridays and the day prior to the official start of the official holidays for residential customers was added.*
- *With the amendments made in the Art. 45 titled “Regasification of the Customer” the two days’ period foreseen to regasify the customer whose gas supply is interrupted was changes as 24 hours and additions were made to the cases where meter opening-closing fee shall not be collected.*
- *With the amendment made in the Art. 46 titled “ termination of customer’s contract” the cases where the customer is determined to have left the address has been added to the cases where the customer’s contract can be terminated.*
- *With the amendments made in the Art.47 titled “Customer complaints” amendment was made in the responding procedure of the customer complaints filed to the Distribution Companies, restriction on the written applictaion subjects was released and provisions on establishing a 24 hour call service and an online “complaint application system” by the distribution companies were introduced.*
- *Within the context of the changes made to Article 48 under the heading “Determination of consumption, accrual and invoicing”, changes were made regarding the meter reading periods and bill*



notification period of Distribution Companies, the provision regarding e-invoice application was added, in case the meter index of the customer can not be determined except for the fault, the calculation of the invoice amount has been changed.

- *With the addition made to the Ar.49 titled "Payment of bills", the provision has been introduced for Distribution Companies to establish payment centers with sufficient and free services and to determine the matters concerning payment centers and payment transactions by Board decision.*
- *With the amendment to Article 51 titled "under or over billing" the provision for the under billing situation originating from the Distribution Company was changed.*
- *With the amendment made on Art. 53 titled "Unauthorized Natural Gas Usage", additional arrangements have been made to consumption calculations to be made in case of consumption above the measuring capacity of the meters due to unauthorized modifications made by adding extra equipment to the installation.*
- *With the amendment to Article 66 titled "Communication Systems" the following provision was introduced; "Subscriber's communication systems shall be established by the Distribution Company within the scope of subscriber connection price" was changed as "... can be established" and also the eligible consumers whose consumption is above the amount determined by the Board, eligible consumers who use the right to choose suppliers and other eligible consumers to be determined by the Board shall establish their own communication systems with the dispatch control center at the request of the Distribution Company at the discretion of the Distribution Company and all maintenance and repair costs of these installed systems shall be paid by the Distribution Company.*
- *With the amendments to Article 70 titled "Expansion of Distribution Areas" regulatory provisions were added for the beginning of the period of investment completion and for the initial Gas delivery periods for the cities to be added to the Distribution areas and also the requests of the Distribution Companies which are different than the specified periods, and that the requested times are not less than the periods specified in the article shall be approved by the Board.*
- Regulation amending the Regulation on principles and Procedures of Audits, Pre-examinations and investigations in the Natural Gas Market was published in the Official Gazette dated 04/01/2017 and numbered 29938. It is about the delegation of authority to the Department Heads and authorisation of Administrative Services Experts in audits.
- The Regulation amending the Regulation on Principles and Procedures of Audits, pre-examinations and Investigations to be made in The Natural Gas Market was published in the Official Gazette dated 04/01/2017 and numbered 29938. The amendment is about Art.4 titled "definitions". With the Regulation amending the Natural Gas Market Licensing Regulation published in the Official Gazette dated 07/01/2017 and numbered 29941, sub-paragraph (2) of the paragraph (a) of Art.42 and sub-paragraph (3) of paragraph (b) and the Art.7 of Annex 3 were repealed. The wording of Art.7 of Ennex 3 was amended as follows;

"Information and documents to be submitted in the evaluation period of license application and/or examination shall be subject to evaluation as per the provisions of the Regulation on Principles and Procedures for Utility Services published in the Official Gazette dated 31/07/2009 and numbered 27305."
- Regulation amending the Natural Gas Market Licensing Regulation was published in the Official

Gazette dated 09/02/2017 and numbered 29974. The following two sentences were added to Art.25 titled "Rights and Liabilities of Wholesale Licensees". Letter of application in Annex-2 was modified, amendment was made in the paragraph (d) of the Art.10 of Annex-3.

"Wholesale License holders (with LNG stations) may carry out the sale of LNG to be used as fuel in road vehicles from a facility they will establish in a certain adress. Wholesale License holders (with LNG stations) may only sell LNG in the facilities subject to their Licenses. Other wholesale companies that sell Natural Gas throughout the country are obliged to get separate licenses if they want to sell LNG for use as fuel in road vehicles in a certain adress.

It is the responsibility of the licensee to plan, design, build and operate the LNG Station facility to be involved in the licensed activity in accordance with the standards and procedures and principles specified in the related and other legislation. License holders operating in this scope are obliged to extend the period of the Service Qualification Certificate for the subject facility to their licenses to the Authority by extending it to the period of sale of LNG for use in road vehicles and to submit the renewed document to the Authority."

- The Regulation amending the Natural Gas Market Licensing Regulation was published in the Official Gazette dated 24/05/2017 and numbered 30075. The amendments are;
 - The definitions of CNG sale, transmission and distribution ere changed in Art. 4 titled "definitions". Definitions of AutoCNG filling facility, AutoCNG activity AutoLNG filling facility and Natural Gas filling facility were added to the same article.
 - The following additions were made to the Art.21 of the Regulation titled "rights and liabilities of the transmission license holders" and the Art.28 titled "rights and liabilities of distribution license holders"; "...License holders shall be liable to take as a refence the ISO/IEC TR 270019 guiding document in addition to the ISO/IEC TR 270019 implementation guide for tthe Information Security Management System they will establish according to TS ISO/IEC 27001.
 - Amendments were made to the Art.25 of the Regulation titled "rights and liabilities of the wholesale license holding companies" , Art.29 titled "rights and liabilities of CNG license holding companies" and Provisional Articles 4 and 7; provisional Art.10 were added to the Regulation.
 - Annex-1 titled "license application letter" of the Regulation was amended. Provision (vii) of the sub-paragraph (1) of paragpaph (f) of Art.10 of the Annex-3 was amended and sub-paragraph (2) was added to the same paragraph.
- Amendment was made to the Provisional Art.3 of the Natural Gas Market Certificate Regulation with the Regulation amending the Natural Gas Market Certificate Regulation published in the Official Gazette dated 06/01/2017 and numbered 29940. With the amendment, it was stated that the implemantation on authorization document will start as of 01/01/2019.
- Natural Gas Organized Wholesale Market Regulation aiming the transparent and objective pricing of the natural gas was published in the Official Gazette dated 31/03/2017 and dated 30024.
- With the Regulation amending the Natural Gas Market Licensing Regulation published in the Official Gazette dated 31/10/2017 and numbered 30226;

-Paragraph (48) of the Art. 4 titled "Definitions" was amended as follows; "48) CNG Natural Gas filling facility: the facilities where Natural Gas is purchased and/or received from wellhead,



national transmission system or in-city distribution system, suppliers and/or distribution companies and compressed and filled into compresses containers possession of which belongs to the license holder or to another CNG sale or distribution license holder”

-Sub-paragraph (b) of the paragraph 4 or Art.14 titled “Modification of Licenses” was amended as follows; *“b) Except for the modifications to be made for the changes in the address of the facility in the CNG sale, AutoCNG and wholesales (AutoLNG) Licenses, all other changes in CNG, wholesale (AutoLNG) and transmission (LNG) Licenses.”*

-Sub-paragraph (c) of the first paragraph of Annex-4 was changed as follows; “Minimum provisions to be included in the articles of association of the Legal persons entitled to be granted licenses to operate in the market”

“c) The legal person shall hold the minimum capital stated hereunder;

<i>License Type</i>	<i>Capital (for 2017) (TL)</i>
<i>Import</i>	<i>5.410.000</i>
<i>Storage</i>	<i>27.100.000</i>
<i>Storage (for LNG facilities with max. 75.000 LNG Capacity)</i>	<i>6.500.000</i>
<i>Wholesale (For production companies 50% of this amount)</i>	<i>5.410.000</i>
<i>Wholesale (OtoLNG)</i>	<i>1.000.000</i>
<i>Export</i>	<i>2.850.000</i>
<i>CNG sale</i>	<i>541.000</i>
<i>CNG Transmission and Distribution</i>	<i>541.000</i>
<i>AutoCNG</i>	<i>541.000</i>
<i>Transmission</i>	<i>27.100.000</i>
<i>Transmission (LNG)</i>	<i>1.360.000</i>
<i>Distribution</i>	<i>The amount of capital determined by the Board in the tender notice according to the qualifications of the city to be tendered.”</i>

2.2.3. Communiqués

In 2017 the belowmentioned Communiqué was published in the Natural Gas Market;

- Communiqué on Administrative Fines to be Applicable in 2018 as per the Art. 9 of the Natural Gas Market Law No:4646 was adopted on 01/01/2018.

2.2.4. Board Decisions

- With the Board Decision dated 05/01/2017 and numbered 6842/7; It has been decided to amend the “Decision on the Natural Gas Distribution Companies’ Shipment Control Centers for which they are obliged to install” entered into force by the Board Decision No. 6196 dated 07/04/2016. With the said amendment, it has been revised that according to the types of depressurisation and measurement stations, which equipment for the stations will be monitored continuously by the Natural Gas Distribution Companies from the Shipment Control Center.

- With the Board Decision dated 26/01/2017 and numbered 6884 published in the Official Gazette dated 01/02/2017 and numbered 29966. The national natural gas consumption forecast for 2017 is set at 46.029.977.218 Sm³ (489.758.957.599 kWh) based on the 9155 kcal / m³ upper calorific value. National Natural Gas consumption estimates made by the Authority for years and National Natural Gas consumption realizations are shown in Table 2.3.

Table 2.3: Natural Gas Consumption Estimates and Realizations by years (2005-2017)

Years	Estimate (Sm ³)	Realization (Sm ³)	Estimate and Realization Derivation (%)
2005	25.800.000.000	27.348.213.942	6,00
2006	30.100.000.000	30.982.063.980	2,93
2007	36.200.000.000	35.394.878.230	-2,22
2008	37.500.000.000	36.865.051.313	-1,69
2009	35.000.000.000	35.218.839.390	0,63
2010	37.000.000.000	37.411.118.370	1,11
2011	39.000.000.000	43.697.409.192	12,04
2012	48.500.000.000	45.241.762.899	-6,72
2013	47.600.000.000	45.582.044.872	-4,24
2014	46.500.000.000	48.717.179.257	4,77
2015	50.862.943.531	47.999.276.834	-5,63
2016	49.562.579.420	46.480.780.189	-6,22
2017	46.029.977.218	53.857.136.920	17,00

- With the Board Decision dated 21/12/2017 and numbered 7537 published in the Official Gazette dated 30/12/2017 and numbered 30286, it was decided to apply the same amount of eligibility threshold for 2018 as the one determined for 2017 by the Board Decision dated 22/12/2016 and numbered 6778. The evolution of eligible consumer limit by years is shown in Table 2.4.

Table 2.4: The evolution of eligible consumer limit in natural gas market by years (2005-2017)

Year	No of Board Decisions	Eligible Consumer Limit(m ³)	
		Current companies and successful tenderers completing 5 years as of the date of effectiveness of the	Other companies granted licenses upon tenders
2005	408	1.000.000	15.000.000
2006	629	1.000.000	15.000.000
2007	1032	1.000.000	15.000.000
2008	1438 & 1808	1.000.000	15.000.000
2009	1896	1.000.000	15.000.000
2010	2378	800.000	15.000.000
2011	2966	700.000	15.000.000
2012	3600	300.000	15.000.000



2013	4168	All consumers except the ones with less than 300.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.
2014	4793	All consumers except the ones with less than 100.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.
2015	5362	All consumers except the ones with less than 75.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.
2016	5920	All consumers except the ones with less than 75.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.
2017	6778	All consumers except the ones with less than 75.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.
2018	7537	All consumers except the ones with less than 75.000 m ³ consumption (households) are eligible consumers*	Stated in the tender notice and the license.

* For household consumers, when calculating the Eligible Consumer, the consumption amount measured from a single meter is taken into consideration.

- With the Board Decision dated 19/01/2017 and numbered 6876 published in the Official Gazette dated 20/01/2017 and numbered 29954, amendments were made in the Transmission Network Operation Regulations of BOTAŞ.
- With the Board Decision dated 19/01/2017 and numbered 6867-6 published in the Official Gazette dated 21/07/2017 and numbered 29955 "Principles and Procedures for the Implementation of the Ministerial Decree No: 2016/9382 on Investments to be made to gasify the provinces with a population of 20.000 and above, which are outside the current licensed natural gas distribution regions." was adopted and gained effectiveness on the date of its publication.
- With the Board Decision dated 16/02/2017 and numbered 6914 published in the Official Gazette dated 18/02/2017 and numbered 29983, principles and procedures for investments for Natural Gas Market Distribution activity were adopted.
- With the Board Decision dated 16/02/2017 and numbered 6930 published in the Official Gazette dated 21/02/2017 and numbered 29986, on the system use fees of the distribution companies granted license through tenders.
- With the Board Decision dated 23/03/2017 and numbered; it was decided to amend the "Decision on Dispatch Control Centers the Natural Gas Distribution Companies are liable to establish" adopted by the Board Decision dated 07/04/2016 and numbered. As per the Board Decision dated 07/04/2016 and numbered, time had been given to the distribution companies which have deficiencies with regard to Dispatch Control Centers to eliminate the deficiencies until 01 April 2017, with

the amendment the due date was iterated and changed into 31 December 2017.

- With the Board Decision dated 23/03/2017 and numbered 6990 published in the Official Gazette dated 29/03/2017 and numbered 30022; tariff calculation principles and procedures for underground natural gas storage companies was approved and gained effectiveness.
- With the Board Decision dated 13/04/2017 and numbered 7022 published in the Official Gazette dated 15/04/2017 and numbered 30039, amendments were made in the Principles and Procedures for Basic Use in line with the Art.5 of the Regulation on Determining the Principles and Procedures for Basic Use of LNG Storage Facilities and Etki Port Operations natural Gas Import and Export Co.Inc. Aliağa Floating LNG Termian (FSRU).
- With the Board Decision dated 01/06/2017 and numbered 7108 published in the Official Gazette dated 02/06/2017 and numbered 30084, Board Decision amending the Principles and Procedures of Implementing the Ministerial Decree No: 2016/9382 was published in the Official Gazette dated 21/01/2016 and numbered 29955. The amendment is about which of the provinces with a population of 20.000 and more within the scope of the Ministerial Decree will be invested in.
- With the Board Decision dated 08/06/2017 and numbered 7110-7 published in the Official Gazette dated 13/06/2017 and numbered 30095, Principles and Procedures for feeding the Natural Gas Distribution Network with LNG or CNG were adopted. The aim of this principles and procedures is to set forth the principles and rules to be abided by the distribution companies operating in the natural gas market in case they perform the distribution activity by the method of feeding the distribution network with LNG and/or CNG.
- With the Board Decision dated 22/06/2017 and numbered 7139 published in the Official Gazette dated 01/07/2017 and numbered 30111 the principles and procedures for tariff calculation of Natural Gas Distribution Companies was adopted. The aim of the principles and procedures is to set forth the rules for price cap methodology to be used in the determination of the fees for system use to be applied by the natural gas distribution license holders with the purpose of supplying reliable, high quality, sustainable and low-cost natural gas to the consumers.
- With the Board Decision dated 22/06/2017 and numbered 7140 published in the Official Gazette dated 30/06/2017 and numbered 30110 it was decided that the second tariff period for the retail sale tariffs of Natural Gas Distribution Companies to be 5 years as 01/01/2017-31/12/2021 and the period of redemption to be 22 years in the calculations of system use fees to be applied by the natural gas distribution companies.
- With the Board Decision dated 22/06/2017 and numbered 7141 published in the Official Gazette dated 30/06/2017 and numbered 30110 it was decided to take into consideration the real reasonable rate of return as 12,85% (before tax) and the refined real reasonable rate of return as 12,074 (before tax) for the second tariff period in the calculations of system use fees to be applied by the distribution companies.
- With the Board Decision dated 22/06/2017 and numbered 7142 published in the Official Gazette dated 30/06/2017 and numbered 30110; as per the paragraph (f) of Art. 5/A and Supplementary Art.2 of the Law on Organisation and Duties of Energy Market Regulatory Authority No: 4628, Art.11 of the Natural Gas Market Law No:4646, Articles 28 and 31 of the Natural Gas Market License Regulation, Natural Articles 8 and 15 of the Natural Gas Market Tariff Regulation and Art.9 of the Principles and Procedures for Tariff Calculations of the Natural Gas Distribution, decision was taken



regarding the cost analysis of the realized investments in tariff calculations of the Natural Gas Distribution Companies' second tariff period.

- With the Board Decision dated 22/06/2017 and numbered 7143 published in the Official Gazette dated 30/06/2017 and numbered 30110, it was decided to take into consideration the actual investment amount of the distribution company when determining the under or over realization of the network investment amount foreseen in the tariff calculations, to be the basis of the examination to be made as per the Art. 7 of the Methodology for the distribution companies whose system use fees have been determined as per the Principles and Procedures for Tariff Calculations of the Natural Gas Distribution Companies (Methodology) adopted by the Board Decision dated 22/12/2016 and numbered 3580.
- With the Board Decision dated 27/07/2017 and numbered 7203 published in the Official Gazette dated 01/08/2017 and numbered 30141, as per the Art.5 and 20 of the regulation on determining the principles and procedures of basic use of LNG storage facilities, amendment was made to the Principles and Procedures for Basic Use of BOTAŞ Silivri Underground Natural Gas Storage Facility.
- With the Board Decision dated 03/08/2017 and numbered 7224 published in the Official Gazette dated 08/08/2017 and numbered 30148, regarding the new licenses granted with the amendment to the Natural Gas Market License Regulation published in the Official Gazette dated 24/05/2017 and numbered 30075; addition was made to the Board Decision dated 22/12/2016 and numbered 6789 published in the Official Gazette dated 27/12/2016 and numbered 29931 regarding the fees to be collected in 2017 for license acquisition, annual license, license modification and getting a copy of the license. The additions are about Wholesale (AutoLNG) and AutoCNG licenses added to the Natural Gas Market License Regulation.
- With the Board Decision dated 10/08/2017 and numbered 7231 published in the Official Gazette dated 15/08/2017 and numbered 30155, amendment was made in the Network Operation Rules as per the provisions of the Art.5 of the Natural Gas Market Operation Regulation and section 21 of the BOTAŞ Transmission Network Operation Regulations.
- With the Board Decision dated 13/09/2017 and numbered 7280 published in the Official Gazette dated 16/09/2017 and numbered 30182 as per the Principles and Procedures for Tariff Calculation of the Natural Gas Distribution Companies (Methodology), decision was taken to determine the operational cost component for the second tariff period of the Natural Gas Distribution Companies.
- With the Board Decision dated 13/09/2017 and numbered 7279 published in the Official Gazette dated 16/09/2017 and numbered 30182, 10. Paragraph of the Art.15 of the Board Decision dated 22/06/2017 and numbered 7139 published in the Official Gazette dated 01/07/2017 and numbered 30111 on Principles and Procedures of Tariff Calculation for Natural Gas Distribution Companies was amended as follows; "If there is a difference between the forecast and the projected operational cost component, there will be no adjustments to the differences arising except for the items that are scheduled to be adjusted at the beginning of the tariff period and at the end of the period in the Board Decisions.
- With the Board Decision dated 21/09/2017 and numbered 7293-7 published in the Official Gazette dated 23/09/2017 and numbered 30189 "Principles and Procedures for Operating the Natural Gas Organized Wholesale Market" was put into effect.
- With the Board Decision dated 19/10/2017 and numbered 7364 published in the Official Gazette dated 21/10/2017 and numbered 30217; amendments were made to the principles and procedures

for feeding the Natural Gas Distribution network with LNG or CNG. The amendment is about Art.6 titled "CNG and/or LNG purchase and service procurement method"

- With the Board Decision dated 09/11/2017 and numbered 7433 published in the Official Gazette dated 14/11/2017 and numbered 30240; BOTAŞ Dörtüyl Floating LNG Termina (FSRU) Principles and Procedures fot Basic Use of BOTAŞ Dörtüyl Floating LNG Terminal (FSRU) was published.
- With the Board Decision dated 23/11/2017 and numbered 7454 published in the Official Gazette dated 29/11/2017 and numbered 30255; the following amendments were made to the Principles and Procedures for Operating Natural Gas Wholesale Market;
- "14.3.1. -Organized Whoesale Market shall be operational with the start of virtual implemtation on 01/04/2018 at 08:00 upon the completion of the testing works"
- -14.3.2. Following the completion of the virtual implementation of wholesale market in order to analyze the functioning of Organized Wholesale Market in terms of seasonality and openness to manipulation in some scenarios to be formed, market operations that will generate payment obligations in STP including delivery, billing and PSI will be started by 1/9/2018."
- With the Board Decision dated 13/12/2017 and numbered 7505-5 license and construction and service certificate issuance for market activities other than import, export, distribution, storage and transmission through pipelines and the connection requests for supply of gas to the consumers outside the scope of the distribution companies' licenses as per the Art. 36 of the Natural Gas Market Distribution and Customer Service Regulation, were decided to be concluded by the approval of the President of EMRA.
- With the Board Decision dated 21/12/2017 and numbered 7538 published in the Official Gazette dated 30/12/2017 and bis numbered 30286; decision was taken on the consumption limit of the eligible consumers who will install their systems of communication with the dispatch control centers in line with the principles and procedures to be set forth by the distribution companies at their own expenses as per the Art.66 titled "communication" of the Natural Gas Market Distribution and Customer Services Regulation. Within that scope;

Upon the request of the Distribution Company;

- a) consumers exceeding the annual 300.000 Sm³ consumption limit,
- b) consumers buying natural gas for electricity generation,
- c) cogeneration facilities generating electricity and heat power,

are made liable to install their automatic volume regulators and systems of communication with the dispatch control centers in line with the principles and procedures to be set forth by the distribution companies at their own expenses.

- With the Board Decision dated 21/12/2017 and numbered 7539 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, amendment was made in the Network Operation Rules as per the provisions of the Art.5 of the Natural Gas Market Operation Regulation and section 21 of the BOTAŞ Transmission Network Operation Regulations.
- With the Board Decision dated 21/12/2017 and numbered 7540 published in the Official Gazette dated 30/12/2017 and bis numbered 30286; in line with the provision of the Art 24 of Principles on BOTAŞ Transmission Network Operation Regulations "...the transmission network minimum stock



amount shall be determined by Board Decision starting from 2018 gas year." The transmission network minimum stack amount for 2018 gas year was determined to be 320.000.000 Stdm³.

- With the Board Decision dated 21/12/2017 and numbered 7566 published in the Official Gazette dated 30/12/2017 and bis numbered 30286; Principles and Procedures for Use of BOTAŞ Salt Lake Underground Natural Gas Storage Facility" prepared as per the Regulation published in the Official Gazette dated 04/06/2011 and numbered 27954 was put into effect.
- With the Board Decision dated 28/12/2017 and numbered 7611 published in the Official Gazette dated 30/12/2017 and numbered 30286; As per the Article 11 of the Natural Gas Market Law No:4646, Article 5 / A of the Law on Organization and Duties of the Energy Market Regulatory Authority No. 4628 and Article 13 of the Natural Gas Market Tariff Regulation, as enough capacity has been formed in the market, "Procedures and Principles of Tariff Calculation for Liquefied Natural Gas Storage Companies" adopted by the Board Decision dated 22/07/2016 and numbered 6389 published in the Official Gazette dated 22/07/2016 and numbered 29778 was repealed.

Information on Natural Gas Distribution License Tenders;

- During the period from 2001 the day of publication of Natural Gas Market Law No. 4646 until today, with the in-city distribution license tenders realized as per the provisions of the Law and secondary legislation, it was ensured that the use of natural gas is expanded and the distribution activity is done by the private sector.
- As per the Law, in-city natural gas distribution service is done by the company which is the successful bidder in the tender issued by EMRA. Bids given by the companies are evaluated on the basis of the unit service and depreciation cost given as a single price for the supply of a kWh Natural Gas according to the procedures and principles specified in the relevant legislation.
- In accordance with the Natural Gas Market Law No. 4646, as a result of the tenders made to date by EMRA and the Distribution Licenses given before the Law, currently 78 provinces and 426 districts have already started to use Natural Gas. In March 2017, the tenders for the delivery of Natural Gas to our provinces of Artvin, Hakkâri and Şırnak, which failed in the previous years were successfully completed in line with the objective of expanding the use of Natural Gas throughout the country. In the present case, licensing procedures are completed and natural gas is planned to be used in 2018. Thus, we are now able to use Natural Gas in our 81 provinces.
- In line with the objective of expanding the use of Natural Gas throughout the country, necessary studies are being carried out within the scope of Council of Ministers Decisions taken to deliver Natural Gas to our districts with a population of more than 10 thousand and 20 thousand, which are outside the scope of the existing Natural Gas Distribution Region License, transactions and investment processes for taking these into the scope of distribution regions are being followed.
- A total of 72 "Natural Gas Distribution Licenses" have already been granted under the related legislation to 65 distribution companies licensed as a result of the tenders and to 7 Distribution Companies that had been carrying out their activities before Law No. 4646.
- Except for İstanbul Gas Distribution Industry and Trade Co.Inc. (IGDAŞ), natural gas distribution in all distribution regions are made by private sector.

2.3. Petroleum Market Legislation

2.3.1. Law

No amendment was made in the Petroleum Market Law in 2017.

2.3.2. Regulations

- With the Regulation Amending the Petroleum Market Licensing Regulation published on the Official Gazette dated 11/03/2017 and numbered 30004, paragraph seven of the Art.44 of Petroleum Market License Regulation titled *"limitations on supply and sale and amount limitations"* was amended as follows; *"In fuel sales with no special consumption tax or low special consumption tax, in case of determination of dispute between the supply and sale, the fuel supply subject to dispute of the license holder is temporarily stopped by the Authority until it is determined that the sale is in compliance with the legislation."*
- With the Regulation amending the Petroleum Market License Regulation published in the Official Gazette dated 13/07/2017 and numbered 30123, the sub-paragraph (n) of the first paragraph of Art.20 of the Petroleum Market License Regulation titled *"Liabilities of the Refining Undertaking License Holders"* was amended as follows; *To operate the corporate information system and industrial control systems in accordance with TS ISO / IEC 27001 Information Security Management System standard, to certify to the certification institution accredited to the Turkish Accreditation Institution, that it operates in accordance with TS ISO / IEC 27001 standard and to certify its systems and to ensure the validity of said documents, to take as a reference the ISO/IEC TR 27019 guiding document as well as the TS ISO/IEC 27002 Implementation Guidelines for Information Security Management System they will establish according to TS ISO/IEC 2700."* Provisional Art.21 was added to the regulation. The art. is about the obligation of fulfilling the liabilities stated in the amended Art.20 until 31/12/2017.
 - With the amending Regulation published in the Official Gazette dated 20/12/2017 and numbered 30276 the following amendments were made;
 - Paragraph titled *"Registered Electronic Post (KEP)"* was added to Art.4 Titled *"Definitions"*.
 - The following paragraph (h) was added to the first paragraph of Art.11 titled *"minimum provisions to be included in the licenses"* *"(h) in the processing licenses related to the production of fuel from waste, information on the tank number, capacity, status, use status and product type of waste for use, tanks for intermediate products in the facilities, non-fuel products, products blended in fuel, fuel for which National Marker will be applied and fuel not to be applied and the types of fuels to be produced"*
 - Paragraphs 7,8,9 and 10 of Art.18 titled *"Rights and Liabilities of License Holders"* were repealed and the following sentence was added to the end of the same article; *"License holder capital Companies; shall be obliged to notify the Authority of the appropriate and active KEP addresses and ensuring that the KEP addresses are consistently valid, active and compliant to e-notification."*
 - The sub-paragraph (n) of the first paragraph of Art.20 of the Petroleum Market License Regulation titled *"Liabilities of the Refining Undertaking License Holders"* was amended as follows; *To operate its corporate information system and industrial control systems in accordance with TS ISO / IEC 27001 Information Security Management System stand-*



ard, twithin 24 months following the commissioning date, to certify to the certification institution accredited to the Turkish Accreditation Institution, that it operates in accordance with TS ISO / IEC 27001 standard and to certify its systems and to ensure the validity of said documents, to take as a refence the ISO/IEC TR 27019 guiding document as well as the TS ISO/IEC 27002 Implementation Guidelines for Information Security Management System they will establish according to TS ISO/IEC 270001."

- Art. 21 titled "Activities to be performed under Processing license" was amended as follows; *"Processing License holders in the market; may be engaged in the production of fuel from waste except those classified as hazardous waste under the Ministry of Environment and Urbanization legislation or production of petrochemical products, biodiesel production.*
- Art.50 titled "Revenue Share "" *The revenue share amounts to be valid for the following year shall be determined by the Board Decision until the end of December every year and published in the Official Gazette.*

The revenue share is credited to the revenue share account opened in the name of the Refining Undertaking. Refining Undertaking License holders are obliged to collect revenue share from fuel sales.

The amount to be collected in exchange of the payment made on the revenue share is shown under a separate heading in the invoiced bill. "

Article 53 titled "Revaluation" was abolished.

- Provisional Art. 22 titled "revenue shares to be applied in 2018" was added to the Regulation "PROVISIONAL ART. 22 – *The revenue share amounts to be applied in 2018 are determined by the Board Decision until the end of December 2017 and published in the Official Gazette.*"
 - Provisional Art. 23 titled " Complaine liability regarding Art.18" was added to the Regulation "PROVISIONAL ART. 23 – *The License holder Capital Companies are obliged to fulfill the obligations set forth in the last paragraph of Article 18 within six months from the effectiveness date of this Article". Provisional Art. 22 is effective as of publication, other amendments are effective as of 01/01/2018.*
- Regulation Amending the Regulation on Principles and Procedures of Pre-examinations and Investigations to be made in the Petroleum Market was published in the Official Gazette dated 04/01/2017 and numbered 29938. These changes relate to the fact that the Board is able to transfer the powers of the preliminary examination and investigation to the Presidency or the Department, and the Administrative Services Experts are also authorized to carry out the audits.

2.3.3. Communiqués

- With the Communiqué amending the Communiqué on the principles and procedures for supply of non-petroleum products from domestic and foreign sources published in the Official Gazette dated 10/03/2017 and numbered 30003 the following amendments were made;
 - The first sentence of the 6th paragraph of Art.4 was amended as follows; *"Industrialists can not deliver petroleum products other than the fuel that they provide for production purposes on behalf of producers and importers to third parties without permission from the Authority and these items can not be delivered to third parties".*
 - The following sentence was added to the paragraph 8 of the Art.8 titled "Examination and

Evaluation" *"The unused portion of the compliance letter of companies whose lube oil licenses have been terminated or canceled will be canceled by the Department"; and paragraph 11 has been amended as follows; "Additional information and documentation may be requested from the applicant if there is a discrepancy in the documents submitted to the institution or if a detailed examination of the application is required. In the event that there is strong suspicion in the investigation and evaluation of related and other legislation violations, the situation shall be notified to the Auditing Department and / or authorized persons. In case the preliminary investigation or investigation is opened by the Authority, the measure of not granting compliance letter to the correspondent may be taken by the Presidency in accordance with the proposal of the Auditing Department."*

- Provisional Art. 2 titled "Transitional Provisions" were added to the same Communiqué "the limitations applied as per the second sentence of 1st paragraph of Art.8 before the effectiveness of this article shall be repealed without a need for another decision."
- The Communiqué amending the Communiqué on the Principles and Procedures of Non-petroleum products from domestic and foreign resources was published in the Official Gazette dated 08/09/2017 and numbered 30174. Amendments are about exploration permit and letter of compliance.
- With the Communiqué amending the Communiqué on blending of ethanol to benzene types published in the Official Gazette dated 16/06/2017 and numbered 30098 the second paragraph of rt.5 titled "Blending Obligation" was amended as "Distribution license holders are obliged to blend ethanol produced from indigenous agricultural products at a rate of at least 3% (V / V) to the total of supplied and imported benzene types from refining undertakings within one calendar year, except for land tank filling units.
- The Communiqué on the Administrative Fines to be Applied in 2018 as per the Art.19 of the Petroleum Market Law No:5015 published in the Official Gazette dated 21/12/2017 and numbered 30277, gained effectiveness as of 01/01/2018.

2.3.4. Board Decisions

- With the Board Decision dated 27/07/2017 and numbered 7204-9 published in the Official Gazette dated 01/08/2017 and numbered 30141 The Procedures and Principles on the StockTracking System have been accepted and decided to be effective as of 01/01/2018. Purpose of said principles and procedures are to determine the procedures and principles for more effective monitoring of stock tracking systems by licensees operating in the Petroleum Market.
- With the Board Decision dated 04/10/2017 and numbered 7319 published in the Official Gazette dated 10/10/2017 and numbered 30206 Decision on the Procedures and Principles Regarding the Compulsory Petroleum Stock Coupon System was accepted and published. The Petroleum Market Department was authorized to make amendments to the annexes of the same Board Decision and Coupon System Decision.
- With the Board Decision dated 09/11/2017 and numbered 7426 published in the Official Gazette dated 14/11/2017 and numbered 30240 Procedures and Principles for National Marker Implementation Activities and National Marker Delivery have been amended. These changes relate to surveillance authorization documents.
- With the Board Decision dated 07/12/2017 and numbered 7492 published in the Official Gazette dated 16/12/2017 and numbered 30272, Board Decision amending the Board Decision on License Application Explanations dated 31/05/2011 and numbered 3242-2 and the Board Decision amending



the Board Decision on holding sample containers dated 20/07/2006 and numbered amendments were made to the Board Decision numbered 3242-2 and 836.

- With the Board decision dated 21/12/2017 and numbered 7567 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Art.16 of the Petroleum Market Law and the Provisional Art. 22 of the Petroleum Market License Regulation the revenue share prices to be used for the expenses of the resource requirement, finance costs and the storage and sustainment costs of these stocks due to the acquisition of the complementary part of the national oil stock to be implemented in 2018 have been determined.

2.4. Liquefied Petroleum Gases (LPG) Market Legislation

2.4.1. Law

No amendment was made in the Liquefied Petroleum Gases (LPG) Market in 2017.

2.4.2. Regulations

- Regulation naming the Regulation on principles and procedures for pre-examinations and investigations for the Audits to be made in the LPG Market was published in the Official Gazette dated 4/01/2017 and numbered 29938. The said changes relate to the fact that the Board can transfer the powers of the preliminary examination and investigation to the Presidency or the Department and that the Administrative Services Experts are also authorized to carry out the audit.
- The following amendments were made in the Regulation on Technical Regulations to be applied in LPG Market published in the Official Gazette dated 09/08/2017 and numbered 30149;
 - The words "150C" in the regulation are corrected to "15 ° C".
 - "Undersecretariat of Customs and Trade was changed as" Ministry of Customs and Trade "
 - Flexibility has been provided by replacing the "laboratory" accredited by domestic and international accreditation bodies.
- The following amendments were made in the LPG Market License Regulation with the amending Regulation published in the Official Gazette dated 19/10/2017 and numbered 30215;
 - Road vehicles are excluded from the definition of "facility".
 - The article on Imports is harmonized with the law.
 - The obstacles in front of the electronic application have been removed.
 - Distributors have been obliged to keep electronic and written notification addresses up-to-date during the License.
 - The obligation to present a contract with the storage service provider for the Storage License application has been lifted
 - An obligation to keep the KEP active and up-to-date has been introduced.
 - The condition that the liability to third parties is met in the termination of the license has been removed
 - Road transport excluded from the License and became subjected to notification.

- National stock obligation is clarified.
- The possession of the empty tube belonging to another company in the premises has been removed from being a subject of penalty.
- Market share calculation has been clarified.
- The period of payment of revenue share in import is determined.
- Repeated article (Standards) have been removed.
- The following amendments were made with the Regulation amending the LPG Market License Regulation published in the Official Gazette dated 20/12/2017 and numbered 30276;
 - the revenue share to be applied next year will be determined by the Board Decision until the end of December every year and published in the Official Gazette.
 - Article 43 titled Revaluation has been abolished.
- With the Regulation Amending the Regulation on LPG Market Training and Responsible Manager was published in the Official Gazette dated 14/10/2017 and numbered 30210 as a fulfillment of court ruling the educational conditions to be sought for the persons to be responsible manager were defined. (faculty, department, etc.)
- The following amendments were made in the LPG Market Training and Responsible Manager Regulation with the amending Regulation published in the Official Gazette dated 21/12/2017 and numbered 30277;
 - Responsible Manager Control Register application for both auto gas stations and filling facilities has been removed.
 - The requirement to retrain those who have not actually served two years in the Responsible Manager, LPG Authorized Personnel and LPG Authorized Business Personnel Certificates has been removed.
 - Responsible manager contract lower limit has been removed.

2.4.3. Communiqués

- The Communiqué on the Administrative Fines to be Applied in 2018 as per the LPG Market Law No: 5307 published in the Official Gazette dated 21/12/2017 and numbered 30277 and the Art.16 of the Law Amending the Electricity Market Law was adopted to be effective as of 01/01/2018.

2.4.4. Board Decisions

- With the Board Decisions dated 12/01/2017 and numbered 6856 published in the Official Gazette dated 18/01/2017 and numbered 29952 and the Board Decision amending the Board Decision on the Information and Documents to be sought in the applications of the License modification and Duration Extension in the LPG Market dated 13/04/2017 and numbered 7024-4 published in the Official Gazette dated 15/4/2017 and numbered 30039 amendments were made. In the case of a change in the subject otoGas dealership license, it has been decided that only the application petition and the license fee is required.
- With the Board Decision dated 27/07/2017 and numbered 7205-01 published in the Official Gazette



dated 29/07/2017 and numbered 30138, within the scope of the Law amending the Liquefied Petroleum Gases (LPG) Market Law and Electricity Market Law it was decided to;

- Make the analysis listed as annexed to the Decision of imported LPG in the laboratories at the specialized customs.
 - Ensure that the LPG supplied to the internal market according to the quality of the product (autogas, mixed LPG, etc.) are in compliance with all the technical regulations in effect.
 - In order to determine whether LPG in domestic market is in compliance with technical regulations, samples to be taken from nationalized product tanks and subsequent supply points where LPG is stored in accordance with the sampling standards in force.
 - Repeal the Board Decision dated 23/06/2005 and numbered 505.
- With the Board Decision dated 29/12/2016 and numbered 6815-5 published in the Official Gazette dated 03/01/2017 and numbered 29937, decision has been taken regarding the fees to be paid by those who do not fulfill the application obligation on the Liquefied Petroleum Gases (LPG) Market due to the amendments specified in the Board Decision on the Information and Documents to be sought in the applications of the License modification and Duration Extension.
 - With the Board Decision dated 07/12/2017 and numbered 7494, Decision on the holding the Compulsory Petroleum Stock in the LPG Market as LPG under the Coupon System was accepted to be effective as of 01/01/2018 and published in Official Gazette dated 13/12/2017 and numbered 30269.
 - With the Board Decision dated 21/12/2017 and numbered 7568 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Art.40 and provisional article 4 of the LPG Market License Regulation, the revenue share price in the Liquefied Petroleum Gases (LPG) Market for 2018 was determined to be 7,14 TL/Tonnes.
 - With the Board Decision dated 03/08/2017 and numbered 7222 it has been decided that the tube dealers shall be sanctioned against illegal activities and transactions should be carried out by the local authorities. Thus, the possibility of rapid intervention in cases of legislative incompatibility has arisen, and since the punishment envisaged in the Law No. 5307 of tube dealers is heavier, it has been dealt with in a lighter punishment. Decisions are as follows;
 - a) Inspections carried out in accordance with the provisions of Council Decision 6354 dated 23 June 2016 taken within the scope of "Security Measures to be Taken for LPG Tanks Used in the Manufacture of Hand Made Explosive (EYP) Substances" by the Prime Ministry's "Union, Peace and Democracy Action Plan" administrative sanctions may be imposed by the competent authority pursuant to Article 32 of the Misdemeanor Law No. 5326,
 - b) In inspections carried out within the scope of the activities defined in Article 8 of Law No. 5307 and not subject to License;
 - LPG tubes; except for personal needs, by manufacturing facilities, Distributors and persons outside the LPG franchise, or subject to exchange or sale, or
 - Administrative sanctions may be imposed on the competent authorities under the scope of the "Regulations Regarding the Opening of Workplaces and Work Licenses" and other relevant legislation in the case of the violation of paragraphs (2), (3) and (5)c)

For the aforementioned cases, it was decided that there is no need to open an investigation as per the pro-

visions of Article 18 of the Liquefied Petroleum Gases (LPG) Market Law No: 5307 and Article 18 of the Law on the Amendment of the Electricity Market Law, and Audits to be carried out on the Liquefied Petroleum Gases (LPG) Market and Principles and Procedures to be Followed in Preliminary Investigations and Investigations; and was decided that the findings that were previously transferred to our Authority should be sent to the relevant institutions for the purpose of transaction.

2.5. Other Legislation Activities

This section includes legislative studies made by the Authority in 2017, irrespective of sectoral classification mentioned above.

2.5.1. Amendments on the Legislation Regarding Energy Market Notifications

- With the Board Decision dated 15/06/2017 and numbered 7130-3 published in the Official Gazette dated 13/07/2017 and numbered 30123, the notification liabilities annexed to the Electricity, Natural Gas, Petroleum Market liability tables in the Guideliens for Use of Energy Market Notification System published in the Official Gazette dated 24/12/2014 and numbered 29215 were adopted.
- With the Board Decision dated 14/09/2017 and numbered 7287 published in the Official Gazette dated 16/09/2017 and numbered 30182, it was decided to change the "Electricity Market Notification Liability Table" which was the Annex-1 of the "Guidelines for Using the Energy Market Notification System" adopted with the Board Decision dated 20/11/2014 and numbered 5313-1 and published in the Official Gazette dated 24/12/2014 and numbered 29215.
- With the Board Decision dated 28/12/2017 and numbered 7605 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, it was decided to change the "LPG Market Notification Liability Table" which was the Annex-4 of the "Guidelines for Using the Energy Market Notification System" adopted with the Board Decision dated 20/11/2014 and numbered 5313-1 and published in the Official Gazette dated 24/12/2014 and numbered 29215.
- With the Board Decision dated 28/12/2017 and numbered 7606 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, it was decided to change the "Petroleum Market Notification Liability Table" which was the Annex-3 of the "Guidelines for Using the Energy Market Notification System" adopted with the Board Decision dated 20/11/2014 and numbered 5313-1 and published in the Official Gazette dated 24/12/2014 and numbered 29215.
- With the Board Decision dated 28/12/2017 and numbered 7607 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, it was determined the change the Natural Gas Notification Liability Table, which was the Annex-2 of the "Guidelines for using the Energy Market Notification System" adopted with the Board Decision dated 20/11/2014 and numbered 5313-1 and published in the Official Gazette dated 24/12/2014 and numbered 29215.

2.5.2. Other Amendments

- Regulation on Information Security in Industrial control Systems used in the Energy Sector was published in the Official Gazette dated 13/07/2017 and numbered 30123 and became effective two months after its publication. The Regulation is based on the National Cyber Security Strategy and Action Plan and has been issued in order to monitor the processes of the industrial control systems used in the critical energy infrastructures to establish the procedures and principles for ensuring system continuity and ensuring cyber safety.



3. LICENSING, CERTIFICATION AND AUTHORIZATION ACTIVITIES

In this section, licensing, certification and authorization activities regarding electricity, natural gas, petroleum and LPG markets are explained.

3.1. Electricity Market Licensing and Authorization Activities

3.1.1. Licensing Activities

In the first paragraph of the Article 4 of the Electricity Market Law No:6446, the electricity market activities are defined as generation, transmission, distribution, wholesale, retail, market operation, import and export activities, and in the third paragraph of the same article, 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.

In the electricity market, except for some derogations, market activities are performed within the scope of licenses granted by the Authority. A separate license for each market activity and facility is required. License holders are liable to hold separate accounts and separate registers for each licensed activity and for each activity whose tariff is subject to regulation and for each region determined with the license of that activity.

Licenses can not be transferred however, the shares of the licensee can be transferred. The transfer of the shares of the licensees whose tariffs are subject to regulation is subject to Board approval, the other share transfers are approved by the Electricity Market Department. 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.

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 licensees 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.

The license types in the Electricity Market are; generation license, transmission license, Distribution License, Supply License, OIZ Distribution License, OIZ Generation License and Market Operation License.

Table 3.1: License activities (numbers) in 2017 in the electricity market

License Type	License Application	Granted License	terminated licenses	Cancelled licenses	No of amended licenses	Total	No of licenses in effect as of the end of the period
Distribution License	0	0	0	0		0	21
Transmission License	0	0	0	0		0	1
OIZ Distribution License	7	9	0	0		16	168
OIZ Generation License	0	0	0	0		0	2
Autoproducer License	0	0	0	1		1	1
Generation Pre-li- cense*	96	120	92	1	9	318	246
Market Operation License	0	0	0	0		0	2
Supply License	6	8	3	0		17	220
Generation License	59	74	126	18	48	325	1554
Total	168	211	221	20	57	677	2.215

*It is the permission given by the Authority to the legal person applied for generation license for a limited duration to get the permission, approval, etc. stipulated by the legislation to start the generation facility investment and to get the possession or usufruct right of the field where the facility will be established.

License activities of the Authority in 2017 within the scope of generation activity and the breakdown of licensed generation capacity as per the type of resource/fuel and installed capacity is shown in the Table 3.2 hereunder.



Table 3.2: License activities of the Authority in 2017 within the scope of generation activity in the electricity market (MWe)

License Type	Resource/Fuel Type	License Application	Granted Licenses	Terminated Licenses	Cancelled Licenses	Installed Capacity of the licenses in effect	Number of licenses in effect
OIZ Generation License	Natural Gas	0	0	0	0	25,778	2
	Total	0,000	0,000	0,000	0,000	25,778	2
Autoproducer License	Natural Gas	0	0	0	1,558	1,600	1
	Total	0,000	0,000	0,000	1,558	1,600	1
Pre-license	Biomass	312,430	239,988	59,455	0	274,545	29
	Natural Gas	76,130	3,076	2,499,811	0	74,240	4
	Solar	0	100,800	40,000	0	417,876	30
	Hydroelectric	482,767	1,464,685	789,215	1,754	4,190,045	123
	Imported Coal	0	0	1,860,000	0	2,340,000	2
	Geothermal	220,430	437,560	129,700	0	469,560	15
	Processed Waste Heat	9,000	9,000	0	0	9,000	1
	Wind	0	979,500	10,000	0		38
	Domestic Coal	1,070,000	1,070,000	1,305,000	0	1,819,500	4
Total	2,170,757	4,304,609	6,693,181	1,754	9,594,766	246	
Generation License	Biomass	61,171	61,171	0	0	453,259	89
	Other	0	0	0	0	141,090	17
	Natural Gas	287,762	285,364	4856,524	33,333	29,828,733	304
	Fuel-oil	126,000	126,000	33,000	0	2,506,370	24
	Solar	38,960	38,960	0	0	51,860	6
	Hydroelectric	434,590	1,846,360	2,343,500	154,408	34,303,114	751
	Imported Coal	0	0	900,000	0	13,601,200	16
	Geothermal	145,610	142,855	44,000	0	1,261,853	45
	Coal	0	0	0	0	2,336,496	18
	LNG	0	0	0	0	10,000	1
	LPG	0	0	0	0	11,000	1
	Diesel fuel	0	15,000	0	0	34,864	2
	Naphta	0	0	0	0	27,272	3
	Pyrolitic Oil & Pyroli-tic Gas	7,040	7,040	7,040	0	7,040	1
	Prosesed waste heat	0	0	0	0	135,125	13
	Wind	70,000	79,000	134,450	48,000	10,008,975	240
	Uranium	4,800,000	4,800,000	0	0	4,800,000	1
	Domestic Asphaltit	0	0	0	0	540,000	2
Domestic Coal	0	0	135,000	0	9774,788	20	
Total	5,971,133	7,401,750	8,453,514	235,741	109,833,039	1554	
Total	8,141,890	11,706,359	15,146,695	239,053	119,455,183	1803	

3.1.2. Import and Export Permits

Legal persons holding supply licenses can engage in import and/or export; legal persons holding generation license can engage in export activities. Within that scope;

- In line with the provisions of the Law No:6490 on Approval of the Ratification on Cross-border Electricity Trade between the Republic of Turkey and Georgia through Meskhetian-Borçka Interconnection Line” published in the Official Gazette dated 11/06/2013 and numbered 28674 and paragraph (b) of Art.6 of “Turkey-Georgia Cross-border Electricity Trade Agreement” titled “ Available Capacity and Allocation of Capacity” which stipulates that “ In any case, the company to be allocated the available capacity shall be determined by the exporter company”, and as per the provision of the Interconnection Operation Agreement signed between TEİAŞ General Directorate and Georgian Electricity Company (GSE) dated 19/09/2013 and gained effectiveness with the decision of TEİAŞ Board of Directors dated 11/09/2013 and numbered 31-429, stipulating that “the exporter party shall make the capacity allocation” in the 4th Art.; the license modifications on electricity import from Meskhetian-Borçka transmission line by the method of asynchronous parallel operation are made within that scope.

In addition, as a result of the synchronous parallel connection of Turkey’s Electricity system with ENTSO-E Continental Europe Synchronous Area system started on 18/09/2010, permission was given for electricity exchange with limited capacity allocation among Bulgaria, Greece and Turkey between Turkish electricity system and ENTSO-E European continental synchronized region, in line with the ENTSO-E practices and the rules of the European Union. In this context, the capacity allocations that will form the basis for the trade with the ENTSO-E region are realized in two ways. First, the participants in the tender held within the scope of Turkey-Greece line SEECAO and capacity demanding participants bid in this tender. The amendment on related Regulation was made on 28/12/2014 and the rules of procurement to be implemented by CAO were approved by the Board Decision of 08/01/2015. Turkey-Bulgaria interconnection line capacity allocation is being made by the Turkish and Bulgarian transmission system operators as per the principles and procedures approved by the Regulation. The current information on the line capacity allocation is published at <https://tcat.teias.gov.tr/>. As of 2017, the permit implementation continues.

3.2. Natural Gas Market Licensing and Certification Activities

3.2.1. Licensing Activities

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 as per the Petroleum Law No: 6491. 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 at once.

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.

**Table 3.3: Licensing Activities in 2017 in the Natural Gas Market (Numbers)**

License Type	License Application	Granted Licenses	Terminated License	Cancelled License	No of amendments	Total	No of licenses in effect
Distribution License	3	4	0	0	23	30	72
Storage License	1	1	0	0	3	5	9
Export License	0	0	0	0		0	8
Transmission License	0	0	0	0		0	17
Import License	0	2	1	0	3	6	60
Compressed Natural Gas (CNG) License*	7	11	11	6	14	49	96
Wholesale License**	3	4	2	0	4	13	49
Total	14	22	14	6	47	103	311

*As per the Regulation Amending the Natural Gas market License Regulation published in the Official Gazette dated 24/05/2017 and numbered 30075, under the scope of CNG License, there are three sub-license types namely CNG sale, CNG transmission/distribution and Auto CNG. The number of CNG licenses in Table 3.3 consists of the total number of CNG license sub-types.

** Production companies also hold wholesale licenses and there is no wholesale (Auto LNG) licensee as of the end of 2017.

Table 3.4: Information on Licensed Natural Gas Storage Facilities

License Holder	Province of the facility	Type of Storage	2017 Total Storage Capacity (Registered in the licenses (m3))
EGE GAS ANONİM ŞİRKETİ	İZMİR	LNG	280.000
BORU HATLARI İLE PETROL TAŞIMA ANONİM ŞİRKETİ	AKSARAY	Underground	350.000.000
BORU HATLARI İLE PETROL TAŞIMA ANONİM ŞİRKETİ	TEKİRDAĞ	LNG	255.000
GAS DEPO VE MADENCİLİK ANONİM ŞİRKETİ*	MERSİN	Underground	-
TOREN NATURAL GAS DEPOLAMA VE MADENCİLİK ANONİM ŞİRKETİ*	MERSİN	Underground	-
ETKİ LİMAN İŞLETMELERİ NATURAL GAS İTHALAT VE TİCARET ANONİM ŞİRKETİ	İZMİR	LNG	145.000
ATLAS PETROL GAS İTHALAT İHRACAT VE PAZARLAMA TİCARET ANONİM ŞİRKETİ*	-	Underground	-
BOTAŞ (BORU HATLARI İLE PETROL TAŞIMA ANONİM ŞİRKETİ)	İSTANBUL (Silivri)	Underground	2.841.000.000
BOTAŞ (BORU HATLARI İLE PETROL TAŞIMA ANONİM ŞİRKETİ)	HATAY	LNG	263.000

*The facilities are not in operation yet.

3.2.2. Certification Activities

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 the permission granted by the Authority showing the capability of the real or 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 at once. Certificates are also subject to visa procedure. Certificate holders 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.

Table 3.5: Certifications in the Natural Gas Market in 2017

Type of Certificate	Type of activity					Total	No of certificates in effect
	Applications for Certificates	Granted Certificates	Terminated Certificates	Certificate Visa	Amended Certificates		
Construction and Service Certificate	106	101	105	120	26	458	933

3.3. Petroleum Market Licensing Activities

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.



Table 3.6: License Procedures in the Petroleum Market in 2017

License Type	License Application	Granted Licenses	Terminated License	Cancelled License	No of Renewals	Total	No of licenses in effect
Vendorship License	1.605	1.600	1.367	45	1.472	6.089	12.863
Distribution License	38	24	1	6	76	145	110
Storage License	7	5	11	0	56	79	101
Bunker Delivery License	8	5	5	1	31	50	60
Transmission License	6	4	3	1	10	24	33
Processing License	2	3	0	0	5	10	14
Lube Oil License	40	22	37	0	113	212	136
Refining Undertaking License	0	1	0	0	4	5	7
Eligible User License	12	11	15	0	5	43	38
Transportation License	18	18	14	0	7	57	82
Total	1.736	1.693	1.453	53	1779	6.714	13.444

Table 3.7: Information on Refining Undertakings as of the end of 2017

License Holder	Province of the facility	Crude Oil Processing Capacity(Tonnes/Year)	Storage Capacity(tonnes)
DOĞU AKDENİZ PETRO-KİMYA VE RAFİNERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ*	ADANA	15.000.000,00*	1.695.000*
STAR RAFİNERİ ANONİM ŞİRKETİ*	İZMİR	10.000.000,00*	1.636.728*
TÜPRAŞ, TÜRKİYE PETROL RAFİNERİLERİ ANONİM ŞİRKETİ	İZMİR	11.000.000,00	2.513.503,00
TÜPRAŞ, TÜRKİYE PETROL RAFİNERİLERİ ANONİM ŞİRKETİ	KOCAELİ	11.000.000,00	3.039.678,00
TÜPRAŞ, TÜRKİYE PETROL RAFİNERİLERİ ANONİM ŞİRKETİ	KIRIKKALE	5.000.000,00	1.296.210,00
TÜPRAŞ, TÜRKİYE PETROL RAFİNERİLERİ ANONİM ŞİRKETİ	BATMAN	1.100.000,00	269.051,00

*facilities are not in operation yet

Table 3.8: Information on Petroleum Market Storage Licenses as of the end of 2017

Province of the facility	Total capacity (m3)	Share in Total Storage Capacity(%)
Mersin	1.502.851,21	28,13
Tekirdağ	801.068,70	14,99
Kocaeli	791.428,79	14,81
İzmir	487.720,00	9,13
Antalya	408.491,40	7,65
İstanbul	320.924,00	6,01
Hatay	315.841,00	5,91
Samsun	191.890,33	3,59
Kırıkkale	173.685,68	3,25
Trabzon	126.319,49	2,36
Ankara	73.924,00	1,39
Giresun	43.130,00	0,81
Artvin	32.000,00	0,60
Muğla	16.525,00	0,31
Balıkesir	13.000,00	0,25
Batman	9.346,80	0,18
Gaziantep	9.338,87	0,17
Diyarbakır	9.256,00	0,17
Çanakkale	8.581,13	0,16
Adana	2.568,00	0,05
Bursa	2.000,00	0,04
Nevşehir	1.091,00	0,02
Kayseri	789,00	0,01
Isparta	727,00	0,01
Total	5.342.497,39	100

*Storage capacities under the title of distributor and bunker delivery licenses are included.

3.3.1. Procedures regarding the non- petroleum products authorizations

“Communiqué on the Principles and Procedures for Supply of non-petroleum products from domestic and foreign sources” was published in the Official Gazette dated 24/04/2013 and numbered 28627. Accordingly, with the condition of getting a letter of conformity from EMRA, the domestic supply of non-petroleum products shall be done by industrialists and the import shall be made directly by industrialists or by exporters on behalf of industrialists. There were two amendments in the Communiqué on 10/03/2017 and 08/09/2017. In 2017, 1061 letters of conformity were granted.

3.4. Liquefied Petroleum Gases (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 Storage License, LPG Auto Gas Vendorship License, LPG Tube Production License, LPG Tube Control, Repair and Maintenance License.



Table 3.9: License Procedures in LPG Market in 2017

License Type	License Procureure type					Total	No of licenses in effect
	License Application	Granted Licenses	Terminated Licenses	Cancelled Licenses	No of amend-ments		
LPG Distribu-tion License	18	19	6	1	54	98	99
LPG Storage License	6	5	7	0	15	33	108
LPG Autogas Vendorship License	978	940	984	6	1444	4352	10.392
LPG Transpor-tation License	11	11	9	0	26	57	60
LPG Cylinder Production License	1	1	0	0	1	3	10
LPG Cylinder Contro, Repair and Mainte-nance License	0	0	5	0	8	13	93
Total	1.014	976	1.011	7	1548	4.556	10.762

3.4.1. Liquefied Petroleum Gases (LPG) Market granting permits for coupons

In accordance with Decision No. 2017/1 of the National Petroleum Stock Commission and Decree on the Possibility of Keeping Compulsory Petroleum Stoku and Compulsory Petroleum Stock in the LPG Market as LPG under the Coupon System, coupon permission was given to 3 distribution licensees.

Table 3.10: Information on LPG Market Storage Licenses as of the end of 2017

Province of the facility	LPG Sstorage License Storage Capacity (m ³)	LPG Distribution License sub-title Storage Capacity (m ³)	Total Capacity (m ³)	Share in Total Storage Capacity (%)
Hatay	205.260,00	540,00	205.800,00	26,50
Kocaeli	192.277,72	2.490,00	194.767,72	25,08
İzmir	126.795,98	591,00	127.386,98	16,40
Tekirdağ	52.594,00	550,00	53.144,00	6,84
Antalya	37.139,00	470,00	37.609,00	4,84
Samsun	26.711,00		26.711,00	3,44
Trabzon	20.821,00	792,00	21.613,00	2,78
Ankara	15.775,00	462,00	16.237,00	2,09
Kırıkkale	7.921,00	8.267,00	16.188,00	2,08
İstanbul	15.755,00		15.755,00	2,03
Mersin	1.000,00	5.280,00	6.280,00	0,81
Giresun	6.139,00		6.139,00	0,79
Konya	1.743,00	3.123,00	4.866,00	0,63
Erzurum	4.035,00		4.035,00	0,52
Osmaniye	2.504,00	1.167,00	3.671,00	0,47
Mardin	1.507,00	1.812,00	3.319,00	0,43
Diyarbakır	2.595,00		2.595,00	0,33

Province of the facility	LPG Sstorage License Storage Capacity (m ³)	LPG Distribution License sub-title Storage Capacity (m ³)	Total Capacity (m ³)	Share in Total Storage Capacity (%)
Kayseri	0,00	2.008,00	2.008,00	0,26
Malatya	1.640,00	345,00	1.985,00	0,26
Adiyaman	0,00	1.770,00	1.770,00	0,23
Isparta	1.755,00		1.755,00	0,23
Niğde	165,00	1.203,00	1.368,00	0,18
Kahramanmaraş	215,00	1.065,00	1.280,00	0,17
Çorum	0,00	1.275,00	1.275,00	0,16
Gasiantep	1.150,00	115,00	1.265,00	0,16
Tokat	790,00	360,00	1.150,00	0,15
Aksaray	474,00	629,00	1.103,00	0,14
Aydın	870,00	170,00	1.040,00	0,13
Amasya	0,00	1.020,00	1.020,00	0,13
Ordu	345,00	620,00	965,00	0,12
Adana	246,00	704,00	950,00	0,12
Manisa	0,00	945,00	945,00	0,12
Elazığ	230,00	687,00	917,00	0,12
Bursa	905,00		905,00	0,12
Denizli	460,00	345,00	805,00	0,11
Yozgat	0,00	765,00	765,00	0,10
Çankırı	0,00	750,00	750,00	0,10
Burdur	640,00		640,00	0,08
Zonguldak	365,00	264,00	629,00	0,08
Van	575,00		575,00	0,07
Eskişehir	476,00		476,00	0,06
Sivas	0,00	460,00	460,00	0,06
Karabük	230,00	230,00	460,00	0,06
Artvin	420,00		420,00	0,05
Karaman	0,00	365,00	365,00	0,05
Erzincan	345,00		345,00	0,04
Bolu	0,00	320,00	320,00	0,04
Siirt	0,00	295,00	295,00	0,04
Afyonkarahisar	0,00	232,00	232,00	0,03
Bilecik	0,00	230,00	230,00	0,03
Nevşehir	0,00	230,00	230,00	0,03
Iğdır	230,00		230,00	0,03
Balıkesir	0,00	200,00	200,00	0,03
Bitlis	0,00	115,00	115,00	0,01
Şanlıurfa	0,00	90,00	90,00	0,01
Uşak	0,00	85,00	85,00	0,01
Ağrı	0,00	70,00	70,00	0,01
Batman	50,00		50,00	0,01
Total	733.148,70	43.506,00	776.654,70	100,00



4. PRICE FORMATION AND TARIFICATION ACTIVITIES

In this section, activities related to price formation and tarification are included for Electricity, Natural Gas, Petroleum and LPG markets in 2017.

4.1. Electricity Market Tariffs

The principles and procedures for preparation, examination, evaluation, modification and approval of regulated tariffs in the Electricity Market are regulated in the Electricity Market Tariffs Regulation and in the relevant Communiqués.

4.1.1. Transmission Tariff

With the Board Decision dated 28/12/2017 and numbered 7612-1 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, System Use and System Operation Price Caps of TEİAŞ were approved.

Table 4.1: System Use and System Operation Price Caps of TEİAŞ in 2018

	System Use	System Operation
2018 Price Cap (CPI=320,40 TL)	7.057.204.654	1.279.964.469

With the Board Decision dated 28/12/2017 and dated 7612-2 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, transmission system system use and system operation prices of TEİAŞ to be applicable as of 01/01/2018 were determined as follows based on 14 regions as per the Methodology Notification on Calculation and Implementation of the System Use and System Operation Tariffs for generators and consumers;

Table 4.2: Transmission System Use and System Operation Tariffs

Region	Generation ⁽¹⁾			Consumption ⁽¹⁾		
	Use of System ⁽²⁾		System Operation	Use of System		System Operation
	TRY/MW-y	TRY/MWh	TRY/MWh	TRY/MW-y	TRY/MWh	TRY/MWh
1	24,053.17	5.51	2.50	43,127.63	4.88	2.60
2	26,222.96	5.51	2.50	41,900.79	4.88	2.60
3	26,462.47	5.51	2.50	41,988.33	4.88	2.60
4	26,804.96	5.51	2.50	41,550.33	4.88	2.60
5	27,970.58	5.51	2.50	40,897.92	4.88	2.60
6	29,392.94	5.51	2.50	39,805.99	4.88	2.60
7	29,561.60	5.51	2.50	38,837.28	4.88	2.60
8	32,561.70	5.51	2.50	37,674.57	4.88	2.60
9	33,840.99	5.51	2.50	36,402.54	4.88	2.60
10	37,577.48	5.51	2.50	34,679.34	4.88	2.60
11	39,579.35	5.51	2.50	33,372.11	4.88	2.60
12	41,270.89	5.51	2.50	32,190.45	4.88	2.60
13	43,039.91	5.51	2.50	31,365.32	4.88	2.60
14	46,167.30	5.51	2.50	28,904.00	4.88	2.60

1) Includes transmission surcharge

2) Applied in half to generation facilities subject to Provisional Article 4 the EML numbered 6446.

4.1.1.1. Primary Frequency Control Unit Service Fee

Primary frequency control unit fees approved for each quarter of 2017 as per the Art.14 of Electricity Market Ancillary Services Regulation are shown in Table 4.3.

Table 4.3: Primary Frequency Control Service Fee

Board Decision date and number	Effectiveness date	Official Gazette date and number	Unit Service Cost TL/MWh
22/12/2016-6782	01/01/2017	27/12/2016-29931	1,92
23/03/2017-6992	01/04/2017	29/03/2017-30022	0,54
22/06/2017-7138	01/07/2017	24/06/2017-30106	8,38
28/09/2017-7308-2	01/10/2017	30/09/2017-30196	29,60

4.1.1.2. Transmission Surcharge

With the Board Decision dated 05/10/2017 and numbered 7328 published in the Official Gazette dated 07/10/2017 dated, the transmission surcharge to be applied in 2018 as per the clause (h) of the paragraph seven of Art. 5 and the clause (e) of the paragraph(1-A) of Art. 10 of Law No: 4628, was determined as 0,5% of TEİAŞ's transmission tariff.

4.1.2. Distribution and Wholesale Tariffs

The Board Decision on approval of the tariff tables applied in the first quarter of 2017 and to be applied in the first quarter of 2018 by the Distribution Companies to distribution system users and the consumers under the sub-subscriber general lighting group; and by the assigned supplier company to the eligible consumers and consumers who are eligible but not changed their suppliers.

Table 4.4: Board Decisions on Distribution Assigned Supplier Companies' Tariff Tables

Date of Board Decision	No of Board Decision	Effectiveness date	Date and number of the Official Gazette
29/12/2016	6838	01/01/2017	31/12/2016 - 29935 (2. bis)
29/03/2017	7007	01/04/2017	31/03/2017-30024
29/06/2017	7166	01/07/2017	30/06/2017-30110
28/09/2017	7316	01/10/2017	29/09/2017-30195
28/12/2017	7617	01/01/2018	30/12/2017-30286 (bis)

**Table 4.5: Board Decisions on System Operation revenue Requirements of Distribution Companies for 2016-2020 Third Implementation Period and Revision of Related Parameters**

Distribution Company	Date of Board Decision	No of Board Decision
ADM Electricity Distribution CO.INC.	21.12.2017	7553-1
Akdeniz Electricity Distribution CO.INC.	21.12.2017	7552-1
Akedaş Electricity Distribution CO.INC.	21.12.2017	7549-1
Aras Electricity Distribution CO.INC.	21.12.2017	7551-1
Başkent Electricity Distribution CO.INC.	21.12.2017	7581-1
Boğaziçi Electricity Distribution CO.INC.	21.12.2017	7554-1
Çamlıbel Electricity Distribution CO.INC.	21.12.2017	7582-1
Çoruh Electricity Distribution CO.INC.	21.12.2017	7550-1
Dicle Electricity Distribution CO.INC.	21.12.2017	7546-1
Fırat Electricity Distribution CO.INC.	21.12.2017	7569-1
GDZ Electricity Distribution CO.INC.	21.12.2017	7570-1
İstanbul Anadolu Yakası Electricity Distribution CO.INC.	21.12.2017	7583-1
Kayseri ve Civarı Electricity CO.INC.	21.12.2017	7548-1
Meram Electricity Distribution CO.INC.	21.12.2017	7547-1
OsmanGasi Electricity Distribution CO.INC.	21.12.2017	7571-1
Sakarya Electricity Distribution CO.INC.	21.12.2017	7572-1
Toroslar Electricity Distribution CO.INC.	21.12.2017	7584-1
Trakya Electricity Distribution CO.INC.	21.12.2017	7573-1
Uludağ Electricity Distribution CO.INC.	21.12.2017	7574-1
Vangölü Electricity Distribution CO.INC.	21.12.2017	7575-1
Yeşilirmak Electricity Distribution CO.INC.	21.12.2017	7585-1

Table 4.6: Board Decisions on Revising the System Operation Revenue Caps of Distribution Companies in 2017

Distribution Company	Date of Board Decision	No of Board Decision
ADM Electricity Distribution CO.INC.	21.12.2017	7553-2
Akdeniz Electricity Distribution CO.INC.	21.12.2017	7552-2
Akedaş Electricity Distribution CO.INC.	21.12.2017	7549-2
Aras Electricity Distribution CO.INC.	21.12.2017	7551-2
Başkent Electricity Distribution CO.INC.	21.12.2017	7581-2
Boğaziçi Electricity Distribution CO.INC.	21.12.2017	7554-2
Çamlıbel Electricity Distribution CO.INC.	21.12.2017	7582-2
Çoruh Electricity Distribution CO.INC.	21.12.2017	7550-2
Dicle Electricity Distribution CO.INC.	21.12.2017	7546-2
Fırat Electricity Distribution CO.INC.	21.12.2017	7569-2
GDZ Electricity Distribution CO.INC.	21.12.2017	7570-2

Distribution Company	Date of Board Decision	No of Board Decision
İstanbul Anadolu Yakası Electricity Distribution CO.INC.	21.12.2017	7583-2
Kayseri ve Civarı Electricity Türk CO.INC.	21.12.2017	7548-2
Meram Electricity Distribution CO.INC.	21.12.2017	7547-2
OsmanGasi Electricity Distribution CO.INC.	21.12.2017	7571-2
Sakarya Electricity Distribution CO.INC.	21.12.2017	7572-2
Toroslar Electricity Distribution CO.INC.	21.12.2017	7584-2
Trakya Electricity Distribution CO.INC.	21.12.2017	7573-2
Uludağ Electricity Distribution CO.INC.	21.12.2017	7574-2
Vangölü Electricity Distribution CO.INC.	21.12.2017	7575-2
Yeşilirmak Electricity Distribution CO.INC.	21.12.2017	7585-2

Table 4.7: Board Decisions on Approval of the System Operation Revenue Caps of Distribution Companies in 2018

Distribution Company	Date of Board Decision	No of Board Decision
ADM Electricity Distribution CO.INC.	21.12.2017	7553-3
Akdeniz Electricity Distribution CO.INC.	21.12.2017	7552-3
Akedaş Electricity Distribution CO.INC.	21.12.2017	7549-3
Aras Electricity Distribution CO.INC.	21.12.2017	7551-3
Başkent Electricity Distribution CO.INC.	21.12.2017	7581-3
Boğaziçi Electricity Distribution CO.INC.	21.12.2017	7554-3
Çamlıbel Electricity Distribution CO.INC.	21.12.2017	7582-3
Çoruh Electricity Distribution CO.INC.	21.12.2017	7550-3
Dicle Electricity Distribution CO.INC.	21.12.2017	7546-3
Fırat Electricity Distribution CO.INC.	21.12.2017	7569-3
GDZ Electricity Distribution CO.INC.	21.12.2017	7570-3
İstanbul Anadolu Yakası Electricity Distribution CO.INC.	21.12.2017	7583-3
Kayseri ve Civarı Electricity Türk CO.INC.	21.12.2017	7548-3
Meram Electricity Distribution CO.INC.	21.12.2017	7547-3
OsmanGasi Electricity Distribution CO.INC.	21.12.2017	7571-3
Sakarya Electricity Distribution CO.INC.	21.12.2017	7572-3
Toroslar Electricity Distribution CO.INC.	21.12.2017	7584-3
Trakya Electricity Distribution CO.INC.	21.12.2017	7573-3
Uludağ Electricity Distribution CO.INC.	21.12.2017	7574-3
Vangölü Electricity Distribution CO.INC.	21.12.2017	7575-3
Yeşilirmak Electricity Distribution CO.INC.	21.12.2017	7585-3



Table 4.8: Board Decisions on Approval of Retail Sale revenue Caps of Assigned Supplier Companies in 2018

Assigned Supplier Company	Date of Board Decision	No of Board Decision
Akedaş Electricity Retail Sale CO.INC.	21.12.2017	7587-1
Aras Electricity Retail Sale CO.INC.	21.12.2017	7587-2
Aydem Electricity Retail Sale CO.INC.	21.12.2017	7545-1
CLK Akdeniz Electricity Retail Sale CO.INC.	21.12.2017	7587-3
CLK Boğaziçi Electricity Retail Sale CO.INC.	21.12.2017	7587-4
CLK Çamlıbel Electricity Retail Sale CO.INC.	21.12.2017	7587-5
CLK Uludağ Electricity Retail Sale CO.INC.	21.12.2017	7587-13
Çoruh Electricity Retail Sale CO.INC.	21.12.2017	7587-6
Dicle Electricity Retail Sale CO.INC.	21.12.2017	7587-7
Enerjisa Başkent Electricity Retail Sale CO.INC.	21.12.2017	7587-8
Enerjisa İstanbul Anadolu Electricity Retail Sale CO.INC.	21.12.2017	7587-9
Enerjisa Toroslar Electricity Retail Sale CO.INC.	21.12.2017	7587-10
Fırat Electricity Retail Sale CO.INC.	21.12.2017	7587-11
Gediz Electricity Retail Sale CO.INC.	21.12.2017	7545-2
Kayseri Electricity Retail Sale CO.INC.	21.12.2017	7587-12
Meram Electricity Retail Sale CO.INC.	21.12.2017	7587-14
OsmanGasi Electricity Retail Sale CO.INC.	21.12.2017	7587-15
Sakarya Electricity Retail Sale CO.INC.	21.12.2017	7587-16
Trakya Electricity Retail Sale CO.INC.	21.12.2017	7587-17
Türkerler Vangölü Electricity Retail Sale CO. INC.	21.12.2017	7587-18
Yeşilirmak Electricity Retail Sale CO.INC.	21.12.2017	7587-19

Table 4.9: Board Decisions on Approval and Revision of Investment Plans for the years 2016-2020

Distribution Company	Date of Board Decision	No of Board Decision
Trakya Electricity Distribution CO.INC.	23/12/2015	5965-1
Vangölü Electricity Distribution CO.INC.	23/12/2015	5965-2
Toroslar Electricity Distribution CO.INC.	15/02/2018	7692
Yeşilirmak Electricity Distribution CO.INC.	23/12/2015	5965-4
Uludağ Electricity Distribution CO.INC.	19/10/2017	7366
Sakarya Electricity Distribution CO.INC.	23/12/2015	5965-6
OsmanGasi Electricity Distribution CO. INC.	11/05/2017	7072
Akdeniz Electricity Distribution CO.INC.	08/06/2017	7114
AKEDAŞ Electricity Distribution CO.INC.	28/12/2017	7598
ADM Electricity Distribution CO.INC.	23/12/2015	5965-10
Aras Electricity Distribution CO.INC.	24/05/2017	7096
Başkent Electricity Distribution CO.INC.	23/12/2015	5965-12
Meram Electricity Distribution CO.INC.	23/12/2015	5965-13
Kayseri and Vicinity Electricity CO.INC.	23/12/2015	5965-14
İstanbul Anadolu Yakası Electricity Distribution CO.INC.	23/12/2015	5965-15
GDZ Electricity Distribution CO.INC.	23/12/2015	5965-16
Fırat Electricity Distribution CO.INC.	23/12/2015	5965-17
Çoruh Electricity Distribution CO.INC.	23/12/2015	5965-18
Dicle Electricity Distribution CO.INC.	08/06/2017 (11/01/2018)	7115 (7638)
Çamlıbel Electricity Distribution CO.INC.	08/06/2017	7116
Boğaziçi Electricity Distribution CO.INC.	08/06/2017	7117
Vangölü Electricity Distribution CO.INC.*	27/07/2017	7210

*Investment plan was revised.

Table 4.10: Board Decisions on Approval of regulated Investment Realizations in 2015

Distribution Company	Date of Board Decision	No of Board Decision
OsmanGasi Electricity Distribution CO.INC.	24/10/2016	6556-1
Akdeniz Electricity Distribution CO.INC.	16/03/2017	6972
Fırat Electricity Distribution CO.INC.	23/03/2017	6991

**Table 4.11: Investment Amounts by regions in 2017 (With Current prices-TL)**

Distribution Region	2017 Investment Amount
TOROSLAR	703.666.534,90
BAŞKENT	606.591.259,52
OSMANGASİ	424.441.150,72
DİCLE	396.478.056,05
BOĞAZIÇI	389.643.240,36
GDZ	364.110.306,00
YEŞİLIRMAK	352.358.727,85
MERAM	300.489.923,72
ADM	263.241.323,20
İSTANBUL A.Y. EDAŞ	256.937.785,03
ULUDAĞ	239.158.377,14
AKDENİZ	205.510.473,92
ARAS	194.646.540,40
ÇORUH	180.375.711,65
KAYSERİ	163.689.077,77
FIRAT	162.715.059,98
VANGÖLÜ	155.785.302,77
TRAKYA	149.178.042,98
AKEDAŞ	147.016.404,80
SAKARYA	146.112.822,96
ÇAMLIBEL	127.357.645,29
TOTAL	5.929.503.767,02

4.1.2.1. Distribution System Connection Fee

With the Board Decision dated 13712/2017 and numbered 7516-11 published in the Official Gazette dated 16/12/2017 and numbered 30272 it is decided to;

- In case both aerea and underground cable are used in the connection line, in calculation of the unit cost, lenth of each of the aerial and underground lines are taken intoconsideraion seperately.
- When calculating the connection fees for lines above 100 kW, to add the amount found by multiplying each kW exceeding 100 KW with 0,6 TL/meter to the amount of 84,88 TL/meter which is the cost for up to 100 kW.
- Not to charge the consumer who procures connection service from the company except for the costs shown hereunder;
- To apply the costs hereunder as the distribution connection fees for 2018.

Table 4.12: Distribution System Connection Fees

Connection Fee	TL/meter
LV	
0-15 kW (inc)	
Underground	45,93
Aerial	21,35
15-50 kW	
Underground	62,16
Aerial	36,23
50-100 kW	
Underground	84,88
Aerial	45,14
Over 100 kW	
Underground	$84,88 + 0,6 \times (\text{Power} - 100)$
MV	
Underground	217,00
Aerial	58,01

4.1.2.2. Connecting-Disconnecting fee

With the Board Decision dated 13/112/2017 and numbered 7516-2 published in the Official Gazette dated 16/12/2017 and numbered 30272 it is decided to apply the connection-disconnection fees in the table hereunder as of 01/01/2018;

Table 4.13: Connecting-Disconnecting Fees

Connection level	Connecting-Disconnecting Fee (TL)
LV	26,8
MV	136,2

4.1.2.3. Security Deposit

With the Board Decision dated 13/12/2017 and numbered 7516-1 published in the Official Gazette dated 16/12/2017 and numbered 30272, it is decided to apply the security deposits fees in the table hereunder to be applied as of 01/01/2018;

Table 4.14: Security Deposits

Subscriber Groups	Security Deposit Cost (TL/kW)
Industrial and Commercial	67,3
Household, Families of Martyrs and war veterans	23,7
Agricultural irrigation, lighting and others	31,9



4.1.2.4. **Meter Control Fees**

With the Board Decision dated 13/12/2017 and numbered 7516-3 published in the Official Gazette dated 16/12/2017 and numbered it is decided to apply the meter control fees in the table hereunder as of 01/01/2018.

Table 4.15: Meter Control Fees

Type of meter	Meter Control Fee (TL)
Directly connected single phase active or triple phase active and/or reactive meters	18,1
Active and/or reactive meters with current and/or voltage transformer	23,0

In addition to the aforementioned arrangements;

- With the Board Decision dated 13/12/2017 and numbered 7516-7 published in the Official Gazette dated 16/12/2017 and numbered 30272 the application fees for exempted generation for 2018 collectible from the network operator as per the Art.31 of the Regulation on Exempted Generation in the Electricity Market are determined as follows; .

Table 4.16: Exempted Generation Application Fee

Installed Capacity	Application fee (TL)
0-250 kW (included)	0
More than 250 kW	596,48

- With the Board Decision dated 13/12/2017 and numbered 7516-8 published in the Official Gazette dated 16/12/2017 and numbered the annual operational cost to be collected by the assigned supplier company in 2018 as per the Art.31 of the Exempted Electricity Generation in the Electricity Market Regulation is determined as follows;

Table 4.17: Exempted Generation Operational Cost (Assigned Supplier Companies)

Installed Capacity	Operation cost (TL/year)
0-250 kW (included)	0
More than 250 kW	1.192,96

- With the Board Decision dated 13/12/2017 and numbered 7516-9 published in the Official Gazette dated 16/12/2017 and numbered 30272 annual operational cost to be collected by distribution companies in 2018 as per the second paragraph of Art.31 of the Regulation on Exempted electricity Generation of Electricity Distribution Companies in Electricity Market is determined as follows;

Table 4.18: Exempted Generation Operational Cost (Electricity Distribution Companies)

Installed Capacity	Operational Cost (TL/year)
0-10 kW (included)	0
10-250 kW (included)	833,99
More than 250 kW	1.667,98

4.1.3. Market Operation Tariff

With the Board Decision dated 25/01/2017 and numbered 7661-1 published in the Official Gazette dated 31/01/2018 and numbered 30318, market operation revenue cap of EXIST for 2018 was determined as follows. With the Board Decision numbered 7661-3 it was decided to be implemented as per the Costs and Commissions to be applied to meet the Electricity Market operation Price Cap and methodology notification on implementation and Costs and Commissions to be applied to meet the Natural Gas Organized Wholesale Market operation revenue cap and methodology notification on implementation;

Table 4.19: EPIAŞ Market Operation Price Cap in 2018

2018 Market Operation Revenue Cap - Electricity Market Share (TL - CPI=327,41)	107.755.477
2018 Market Operation Revenue Cap - Natural Gas Market Share (TL - CPI=327,41)	2.182.500

4.1.4. OIZ Distribution Fee

Distribution costs to be applied by the Distribution License holding Organized Industrial Zones to the participants within their zones were approved by the Board Decision dated 21/21/2017 and numbered 7555-1 and 168 published in the Official Gazette dated 30/12/2017 and bis numbered 30286.

OIZ administrations are able to offer Distribution price proposals as MV, LV, single term and double term as per the Organized Industrial Zones Regulation Regarding Electricity Market Activities. The distribution-based evaluations are based on the "benchmarking model", taking into account the unit energy cost estimates of the OIZs, investment expenditures, operating expenses, lost energy costs and the Distribution tariff predictions for the Distribution zones in which they are located.

4.1.5. TETAŞ Wholesale Tariff

Turkish Electricity Trading and Contracting Company (TETAŞ)'s wholesale tariffs for 2017 are as follows;

Table 4.20: TETAŞ Wholesale Tariffs (for the sale of technical and non-technical losses to assigned supplier companies and Distribution Companies)

Date of Board Decision	No of Board Decision	Effectiveness date	Official Gazette date and number	Active Electricity power cost (Kr₺/ kWh)
31/12/2016	6824	01/01/2017	31/12/2016 - 29935	16,2
29/03/2017	7006	01/04/2017	31/03/2017 -30024	16,0
29/06/2017	7165	01/07/2017	30/06/2017 -30110	15,65
28/09/2017	7315	01/10/2017	29/09/2017- 30195	15,10

Table 4.21: TETAŞ Wholesale tariffs
(for the sales to the Distribution Companies with regard to general lighting)

Date of Board Decision	No of Board Decision	Effectiveness date	Official Gazette date and number	Active Electricity Power Cost (Kr₺/ kWh)
31/12/2016	6824	01/01/2017	31/12/2016 - 29935	19,15
29/03/2017	7006	01/04/2017	31/03/2016 -30024	19,10
29/06/2017	7165	01/07/2017	30/06/2017 -30110	19,10
28/09/2017	7315	01/10/2017	29/09/2017- 30195	19,30



- With the Board Decision dated 28/12/2017 and numbered 7619 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, active energy wholesale price to be applied to the technical and non-technical lost energy sale to distribution companies and to the assigned supplier companies was determined as 18,008 Krş/kWh, to be applicable as of 01/01/2018.
- With the Board Decision dated 28/12/2017 and numbered 7619 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, active energy wholesale price to be sold by TETAŞ to distribution companies within the scope of generati lighting was determined to be 20,63 Krş/kWh to be applicable as of 01/01/2018.

4.1.6. Turkey Average Electricity Wholesale Price

With the Board Decision dated 13/12/2017 and numbered 7516-4 published in the Official Gazette dated 16/12/2017 and numbered, within the scope of the Law on Use of Renewable Energy Resources for the Purpose of Electricity Generation No:5346; Turkey average electricity wholesale price was determined to be 17,1 Krş/kWh, to be applied in 2018.

4.1.7. License Fees

With the Board Decision dated 21/12/2017 and numbered 7557 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Art.43 of the electricity Market Licensing Regulation, the fees for preliminary license, annual license, license renewal, license and preliminary license amendments, and getting the copies of licenses are determined for 2018.

4.2. Natural Gas Market Tariffs

Regulations on Natural Gas Market tariffs are made as per the Natural Gas Market Law No:4646 and the Natural Gas Market Tariffs regulation.

4.2.1. Transmission and Shipping Control Tariffs

As per the “Principles and Procedures for Determining the Revenue caps taken as basic to the tariffs of natural gas transmission licensees” adopted by the Board Decision dated 03/10/2013 and numbered 4638-1, Board Decision dated 13/12/2017 and numbered 7514 on determining BOTAŞ’s transmission and shipping control fees for 2017 was published in the Official Gazette dated 16/12/2017 and numbered 30272 and became effective as of 01/01/2018. Transmission Capacity Fee upper limits determined by the aforementioned decision are as follows;

Table 4.22:Transmission capacity fee upper limits

Points	(TL/Sm ³ -day)	(TL/kWhday)
Entry 1 (Malkoçlar)	0,000318	0,00002989
Entry 2 (M. Ereğlisi LNG Terminali)	0,000208	0,00001955
Entry 3 (Durusu)	0,000305	0,00002867
Entry 4 (Doğubeyazıt-Gürbulak)	0,000365	0,00003430
Entry 5 (Azerbaycan-Türkgözü)	0,000453	0,00004258
Entry 6 (EGEGAS Aliağa LNG)	0,000109	0,00001024
Entry 7 (Silivri Depo)	0,000070	0,00000658
Entry 8 (TP Akçakoca)	0,000714	0,00006711
Entry 9 (TEMİ)	0,000714	0,00006711

Entry 10 (ETKİ Aliğa FSRU)	0,000231	0,00002171
Entry 11 (Tuz Gölü Depo)	0,000035	0,00000329
Entry 12 (MARSA Gelibolu)	0,000397	0,00003731
Entry 13 (Dört Yol FSRU)	0,000139	0,00001306
Entry 14 (TANAP Seyit Gasi)	0,000225	0,00002115
Exit	0,011523	0,00108299
Export Exit Point (Greece)	0,050436	0,00474023

With the same Board Decision transmission service fee upper limit of BOTAŞ was determined as follows;

Table 4.23: Transmission Service Fee Upper Limit of BOTAŞ

	(TL/Sm ³)	(TL/kWh)
Transmission Service Fee	0,019148	0,00179962

With the Board Decision dated 13/12/2017 and numbered 7513 published in the Official Gazette dated 16/12/2017 and numbered 30272 and the Board Decision dated 29/12/2016 and numbered 6821 published in the Official Gazette dated 31/12/2016 and numbered 29935 amendments were made in Methodology notification of BOTAŞ for the second implementation period.

In the Board Decision dated 29/12/2016 and numbered 6820, within the scope of the "Principles and Procedures for Determining the Revenue Caps to be taken as basis to the Tariffs of natural Gas Transmission License Holding Companies" adopted by the Board Decision dated 03/10/2013 and numbered 4638-1; decision was taken regarding the annual revenue requirements to be the basis for transmission and shipping control tariffs for the second implementation period of BOTAŞ, the holder of the transmission license dated 23/05/2003 and numbered and the decision was published in the Official Gazette dated 31/12/2016 and numbered 29935. With the said decision, the second implementation period for the transmission and shipping tariffs of BOTAŞ was determined as 2017-2019. The real reasonable rate of return for transmission and shipping tariffs was determined as 11,42% (before tax), net real reasonable rate of return was determined as 10,803 (before tax). Annual investment cap and revenue requirements of BOTAŞ for the second implementation period are given in the tables hereunder;

Table 4.24: Investment Cap of BOTAŞ for second implementation period

	2017	2018	2019
Investment cap (TL) ¹	77.551.925	95.837.439	138.572.034

¹These amounts are with PPI =266,1.

Table 4.25: Revenue requirement of BOTAŞ for second implementation period

	2017	2018	2019
Revenue requirement (TL) ¹	1.682.989.064	1.762.338.052	1.766.797.234

¹These amounts are with ÜFE =266,16.

4.2.2. Connection Tariffs

With the Board Decision dated 26/12/2016 and numbered 6807, principles and procedures for connection and service fees in Natural Gas Distribution Sector were published in the Official Gazette dated 29/12/2016 and numbered 29933. The updated fees for 2018 are listed hereunder;



Table 4.26: Connection tariffs determined for Distribution Companies

	2017	2018
The subscriber connection fee limit, including the meter to be applied to subscriptions using Natural Gas for residential and heating purposes, is calculated for the first number of independent sections (BBS)	455 TL	514 TL
Additional per subscriber connection per 100 sqm area	increased with 375 TL	increased with 424 TL
In the case of the written request of the subscribers as per the 40th article of the Natural Gas Market Distribution and Customer Service Regulations, the cost to be collected by the Distribution Company for changing the meter with pre-paid meter.	177 TL	200 TL
Upper limits for security deposits	386 TL / unit for the boiler, 386 TL / housing for the stove, 386 TL x BBS for the central system, 20 TL for January and 40 TL for water heater	406 TL / unit for the boiler, 364 TL / house for the stove, 364 TL x BBS for central system, 21 TL for January and 42 TL for water heater
Upper limit of meter opening-closing rate	30 TL	20 TL

4.2.3. Fees for Internal installation project approval, supervision, testing and commissioning transactions

Board Decision dated 21/12/2017 and numbered 7577 on Natural Gas Distribution Companies' internal installation project approval, supervision, testing and commissioning transactions were published in the Official Gazette numbered 30286 on 30/12/2017. The updated price for the year 2018 is shown in Table 4.27.

Table 4.27: Internal installation project approval, supervision, testing and commissioning transactions max. fees set forth by the Authority

TYPE OF METER	2017	2018
G4, G6 (TL/piece)	30	34
G10, G16, G25 (TL/No)	56	63
G40, G65, G100 (TL/No)	112	127
G160, G250, G400 (TL/No)	170	192
Bigger than G400 (TL/No)	229	259
Colon Line (TL/Project)	30	34

4.2.4. Storage Tariffs

With the Board Decision dated 28/12/2017 and numbered 7611 published in the Official Gazette dated 30/12/2017 and numbered 30286, as per the Art. 11 of the Law No:4646, Art.5/A of the Law on the Organization and Duties of EMRA No: 4628 and Ar. 13 of the Natural Gas Market Tariffs Regulation, as enough capacity is formed in the market, regarding the tariffs of LNG storage companies, it was decided to repeal the following Board Decisions and tariffs to be determined freely among the parties;

- a) The Board Decision dated 14/07/2016 and numbered 6389 published in the Official Gazette dated 22/07/2016 and numbered 29778 on principles and procedures for calculating the tariffs of LNG storage companies,
- b) The Board Decision dated 01/12/2016 and numbered 6636, 6637 and 6638 published in the Official Gazette dated 03/12/2016 and numbered 29907,
- c) The Board Decision dated 18/08/2010 and numbered 2699 published in the Official Gazette dated 25/08/2010 and numbered 27683.

4.2.5. Wholesale Tariffs

With the Board Decision dated 22/12/2011 and numbered 3577, it was decided that the natural gas wholesale prices shall be determined freely among the parties starting from 01/01/2012 until a new regulation in this respect is done.

4.2.6. Retail Sale Tariffs

Within the scope of the tariff calculation methodology for natural gas distribution companies adopted by the Board Decision dated 22/06/2017 and numbered 7139 published in the Official Gazette dated 01/07/2017 and numbered 30111, the following Board Decisions were taken for 2017-2021 tariff implementation period retail sale tariffs;

**Table 4.28: Board Decisions on Retail Sale Tariffs for 2017-2021 Tariff Implementation Period**

Natural Gas Distribution Company	Date of Board Decision	No of Board Decision
KırGas Kırıkkale Kırşehir Natural Gas Distribution Paz. Tic. CO.INC.	05.10.2017	7325
Aksa Bandırma Natural Gas Distribution A.Ş	05.10.2017	7332
Aksa Manisa Natural Gas Distribution A.Ş	05.10.2017	7333
İzmir Natural Gas Distribution Ticaret ve Taahhüt CO.INC.	05.10.2017	7334
SamGas Natural Gas Distribution CO.INC.	05.10.2017	7335
Enerya Denizli Gas Distribution CO.INC.	05.10.2017	7336
Enerya Antalya Gas Distribution CO.INC.	05.10.2017	7337
Gasdaş Gasiantepe Natural Gas Distribution CO.INC.	05.10.2017	7338
KayseriGas Kayseri Natural Gas Distribution Pazarlama ve Ticaret CO. INC.	05.10.2017	7340
Aksa Sivas Natural Gas Distribution CO.INC.	12.10.2017	7349
Aksa Çanakkale Natural Gas Distribution CO.INC.	12.10.2017	7350
Aksa Afyon Natural Gas Distribution CO.INC.	12.10.2017	7351
Aksa Gümüşhane Bayburt Natural Gas Distribution CO.INC.	12.10.2017	7352
Aksa Bilecik Bolu Natural Gas Distribution CO.INC.	12.10.2017	7353
Çordaş Çorlu Natural Gas Distribution CO.INC.	12.10.2017	7354
Enerya Aksaray Gas Distribution CO.INC.	12.10.2017	7355
Enerya Kapadokya Gas Distribution CO.INC.	12.10.2017	7356
Enerya Ereğli Gas Distribution CO.INC.	12.10.2017	7357
Enerya Konya Gas Distribution CO.INC.	12.10.2017	7358
Aksa Balıkesir Natural Gas Distribution CO.INC.	19.10.2017	7367
Aksa Malatya Natural Gas Distribution CO.INC.	19.10.2017	7369
Aksa Mustafakemalpaşa Susurluk Karacabey Natural Gas Dağ. CO. INC.	19.10.2017	7370
Aksa Şanlıurfa Natural Gas Distribution CO.INC.	19.10.2017	7371
Aksa Tokat Amasya Natural Gas Distribution CO.INC.	19.10.2017	7372
Enerya Erzincan Gas Distribution CO.INC.	19.10.2017	7373
Enerya Karaman Gas Distribution CO.INC.	19.10.2017	7374
Selçuk Natural Gas Distribution CO.INC.	19.10.2017	7375
Aksa Van Natural Gas Distribution CO.INC.	19.10.2017	7376
İnegöl Gas Distribution Sanayi ve Ticaret CO.INC.	19.10.2017	7377
PalGas Natural Gas Distribution Sanayi ve Ticaret CO.INC.	19.10.2017	7378
Aksa Elazığ Natural Gas Distribution CO.INC.	26.10.2017	7398
Aksa Siirt Batman Natural Gas Distribution CO.INC.	26.10.2017	7399
Aksa Ordu Giresun Natural Gas Distribution CO.INC.	26.10.2017	7400
Aksa Gas Distribution CO.INC.	26.10.2017	7401
AkmercanGas Natural Gas Distribution Sanayi ve Ticaret CO.INC.	26.10.2017	7402
Sürmeli Natural Gas Distribution Sanayi ve Ticaret CO.INC.	26.10.2017	7403

KayseriGas Kayseri Natural Gas Distribution Pazarlama ve Ticaret CO. INC.	26.10.2017	7404
Palen Enerji Natural Gas Distribution Endüstri ve Ticaret CO.INC.	02.11.2017	7413
Aksa Düzce Ereğli Natural Gas Distribution CO.INC.	02.11.2017	7415
Aksa Karadeniz Natural Gas Distribution CO.INC.	02.11.2017	7416
Armadaş Arsan Maraş Natural Gas Distribution CO.INC.	02.11.2017	7420
Diyarbakır Natural Gas Distribution CO.INC.	09.11.2017	7434
KarGas Natural Gas Distribution Sanayi ve Ticaret CO.INC.	09.11.2017	7435
KarGas Kars Ardahan Natural Gas Dağ. Paz. Taah. San. ve Tic. Ltd. Şti.	09.11.2017	7436
Enerya Aydın Gas Distribution CO.INC.	09.11.2017	7437
Udaş Uşak Natural Gas Distribution Sanayi ve Ticaret CO.INC.	16.11.2017	7444
Çorum Natural Gas Distribution Sanayi ve Ticaret CO.INC.	23.11.2017	7461
Agdaş Adapazarı Gas Distribution CO.INC.	23.11.2017	7463
ArmaGas Arsan Marmara Natural Gas Distribution CO.INC.	23.11.2017	7464
Aksa Gemlik Natural Gas Distribution CO.INC.	23.11.2017	7465
PolGas Polatlı Natural Gas Distribution CO.INC.	13.12.2017	7511
TorosGas Isparta Burdur Natural Gas Distribution CO.INC.	16.11.2017	7601

4.2.7. License Fees

With the Board Decision dated 21/12/2017 and numbered 7560 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Art.10 of the Law No: 4628 amended by item (a) of paragraph (B) of Law No: 4646, the contribution fee to be paid in the natural gas market in 2018 was determined.

With the Board Decision dated 21/12/2017 and numeberd 7558 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as pe the Natural Gas Market License Regulation, the fees for obtaining license, license modification, annual license, license renewal and getting a copy of the license for 2018 were determined.

With the Board Decision dated 21/12/2017 and numebered 7559 published in the Ofiicial Gazette dated 30/12/2017 and bis numbered 30286, as per the Natural Gas Market Certificate Regulation, the fees for obtaining certificate, certificate renewal, modification, getting a copy, visa fees and the service fees to be collected by the distribution companies liable to grant internal installations and service lines certificates were determined for 2018.

4.3. Petroleum Market Tariffs

Upon the effectiveness of the Petroleum Market Law No:5015, free price implementation started as of 01/01/2005. In petroleum sales and purchases it was adopted to take into consideration the nearest accessible world free market conditions. The price is accepted as; the market price formed in the nearest delivery port or the refining undertaking for domestic crude petroleum.

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 price caps 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 Europan 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 TÜPRAŞ and the distribution license holders whose total market shares equal 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 of the prices formed in the closest accessible world free markets and EU and Turkey.

The findings were evaluated with market participants and related Ministries in 2017.

Opinions were given on the tariff files of the companies which apply to the Authority to obtain distributor, transmission, storage and processing licenses. In addition, the procedures for the amendment of storage and transmission tariffs have been finalized.

The third paragraph of Art. 8 of the Petroleum Market Pricing System Regulation stipulates that the license applications whose tariff file sre not deemed appropriate shall be rejected. Accordingly, the tariff files annexed to the license applications made to the Petroleum Market Department were examined.

Within the scope of the Energy Market Notification Regulation, management of the part of the reporting system related to the prices is carried out, price notifications are followed, necessary corrections are made, company price notification points are defined and changed 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. In this respect "Petroleum Market Pricing Reports" started to be published annually in 2014 also continued to be published in EMRA's web site in 2017.

4.3.1. License Fees

With the Board Decision dated 21/12/2017 and numbered 7561 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, the fees for license acquisition, license modification, extension, getting a copy of the license, tariff approval, liquid fuel trade permit and coupon service were determined for 2018.

With the Board Decision dated 21/12/2017 and numbered 7562 published in the Official Gazette dated 30/12/2017 and bis numbered, the contribution fees for 2018, the real and legal persons are liable to pay in the Petroleum Market as per Art.10 of the Law No:4628 amended by the sub-paragraph (a) of the paragraph (c) of Art.27 of the Law No:5015 were determined.

4.4. Prices in the Liquefied Petroleum Gases (LPG) Market

Liquefied Petroleum Gases Market Law No: 5307 foresees that the prices for buying and selling LPG will be in accordance with the accessible free world market conditions. According to the law, Refining Undertakings and Distributors report the prices of their market activities under the Licenses to the Authority at the ceiling prices, taking into account the price formation in accessible world free markets.

In this context, developments in domestic LPG prices were regularly monitored, taking into account the ceiling price notifications given by Refining Undertakings and Distributors about their market activities under the Licenses. Comprehensive studies have been carried out on auto gas prices in addition to the regular notifications given to the Agency. Price developments in our country's LPG market are compared with price movements in EU countries, taking into account other market-relevant parameters.

4.4.1. License Fees

With the Board Decision dated 21/12/2017 and numbered 7563 published in the Official Gazette dated 30/12/2017 and bis numbered 30286, as per the Liquefied Petroleum Gases (LPG) Law No:5307 and the Liquefied Petroleum Gases (LPG) Market License Regulation, fees for license acquisition, license modification, extension and getting a copy of the license were determined.

With the Board Decision dated 21/12/2017 and numbered 7565 published in the Official Gazette dated 30/12/2017 and bis numbered; the contribution fees to be applied in the LPG Market in 2018 were determined as per the related articles of the related legislation.



5. INFORMATION SYSTEMS AND AUTOMATION ACTIVITIES

This section describes the activities carried out within the scope of the automation activities carried out within the Authority.

5.1. Information System Works

EPVYS, EBIS and EPARS have been installed within the scope of EPDK Information Systems Development Project and studies for the development of the mentioned systems are continuing. In addition, EBYS, Enterprise Resource Planning (ERP) software and the establishment and operation of ISMS have taken a serious distance.

This section contains activities related to the above mentioned systems in 2017.

5.1.1. Information Security Management System (BGYS)

The interim audit has been successfully completed within the scope of the TS ISO / IEC 27001: 2013 certificate obtained with the ISMS studies carried out in the institution. National Cyber Security Strategy and Action Plan 2016-2019;

- a. In order to be able to perform risk analysis, all the assets in the national cyber space, creation of critical service and process inventory,
- b. Determination of risks and security objectives and minimum security requirements that can be realized in services and processes,
- c. Regulation on Information Security in Industrial Control Systems Used in the Energy Sector “published in the Official Gazette dated July 13, 2011 and numbered 30123, as part of the legislative regulations required to ensure that sectoral SOMEs have the power to effectively control and enforce sanctions on corporate SOMEs “(Regulation) has been issued.

15 Companies’ activities within the scope of the Regulation have been reviewed and supervised on the obligation to comply with the TS ISO / IEC 27001 standard of licensees operating in Electricity, Natural Gas and petroleum markets.

It is envisaged that the work of determining the penetration test methodology in the industrial control systems used in the energy sector will be completed in the first half of 2018.

5.1.2. Energy Market Analysis and Reporting System (EPARS)

EPARS has been established for the analysis and reporting of the energy market information required by the Authority within the scope of EPDK Information Systems Development Project. Data that may be meaningful for analysis and reporting on all the systems used in the institution have been transferred to the data warehouses in this system and other meaningful data in the direction of incoming requests are still being transferred to these data warehouses. With EPARS, data in these data warehouses can be queried and reports can be generated by analyzing them.

EPARS; data stored in analysis services, which can be quickly queried depending on several parameters, and this is done from prepared sample reports. In reports; Petroleum, LPG, Electricity, Natural Gas market licensees and companies that are active in the subject sectors are produced from notifications sent to our Agency. Company-to-company accuracy checks are also made with EPARS cross-check reports.

In 2017, reports produced by EPARS from companies reporting to EMRA (belonging to 4 sectors) increased

in line with the new report requests from Department Heads.

In 2017, stocks held in Petroleum Market by companies having stock obligations held in the warehouse / inventory quantities held on behalf of other companies were taken into the Authority's database via web services and related control and comparison reports were created.

LPG market road transport with the end of 2017 Transfer of the data belonging to LPG road transport company held on EPVYS to the Notification System (EBIS) database has been carried out in accordance with the license agreement of Licensee. The necessary inquiries have been prepared in order to be able to query the transferred data from the web page of the Authority and share it with the web service.

In the direction of requests from the Expropriation Department, reports are prepared which contain coordinate information (latitude / longitude) of Electricity production facilities and oil dealers.

5.1.3. Electronic Document Management System(EMS)

EMS has been aligned with Ministry of Development E-Correspondence Package (EYP), TS 13298 standard, Regulation on Principles and Procedures to be Applied in Prime Ministry Official Documents, Prime Ministry Circular No. 2005/7 on Standard File Plan, Electronic Signature Law No. 5070 and Registered Electronic Mail (PEP) . Since January 2016, e-correspondence has been made with Electricity and Natural Gas Distribution Companies and public institutions and organizations. In EBYS, correspondence between public institutions and organizations, especially ministries, is compulsorily e-mailed to those with a certain PEP address.

EMS continues to be used up-to-date with the new versions being passed on to the required requirements.

Notifications to be made to the partners continue to be sent via e-Notification in the EMS by the PEP system.

Consumers can access and follow the applications of Information, Complaints and Opinions / Suggestions to our Institutions by using the SMS compliant to the mobile phones from the Consumer Complaints Portal Module, which is compatible with the Web-based BIMER structure that was created and developed towards the end of 2017. In addition to the applications that the consumers have made through our portal, we can also follow the status of the applicants who have reached our institution through CIMER and BIMER and the answers given from this portal.

5.1.4. Authority's web page

The Regulatory Approach Document prepared for the purpose of systematically benefiting from 16 years of experience and accumulation of our institution, emphasizing compatibility with top policies and pursuing scientific and technological change pursuant to the Board Resolution No. 7120 dated 08.06.2017. Within this scope, the Agency has started to work on the content of the website in order to improve the content and visual quality in order to respond to the current needs, industry and consumers' information requests. Detailed and reliable information on all announcements / legislation / press statements / events related to the public or stakeholders with the initiatives will be presented to the users with the flexible word search feature and will be designed in accordance with the digital user experience and a functional process and a 6 month process it is planned to provide a user-friendly interface for both the intranet and the web page. It is aimed to achieve the goal of displaying the best from all devices and browsers when the work is finished, and also to offer customized services for mobile devices.

In our website, "Consumer Corner" belonging to consumers has been formed in order to increase consumer awareness on consumer rights and protection of consumers in liberalized energy markets. In this corner Consumers can;



- Access to Natural Gas, Electricity, LPG and oil market legislation, which directly concern consumers,
- See frequently asked questions and answers about Natural Gas, Electricity, LPG and petroleum markets,
- More conveniently access and use the channels for complaints and information,
- Reach summaries on Natural Gas and Electricity markets and consumer rights,
- Access the Natural Gas and Electricity markets tariffs approved by our Authority,
- See the contact addresses of distribution companies and / or supply service providers in Natural Gas and Electricity markets,
- Control their electricity bills by using the "Electricity Billing" calculation module.

In our new webpage, gas stations will be provided with the opportunity to inquire fuel pump sales prices. All the data provided by our institution will be consigned on the WEB page, so that the need for software development for transportation and integration will be minimized.

With the comprehensive web portal that will be launched in 2018, the legislation of the Authority will be made more regular, effective and accessible. Dynamic grouping, effective text searches on legislation will be provided and the latest legislation can be reached quickly and easily.

WEB page will be provided with the opportunity to update each source's origin in order to provide updated data.

5.1.5. Energy Market Database Management System (EPVYS)

To fulfill the duties assigned to the institution by legislation; a computerized system has been established and commissioned in order to realize productivity and performance increase in a fast and secure electronic environment and to work with other institutions and organizations. In this context, developments and updates are made in line with the requirements related to License, Contact, Tariff, Litigation, Audit and Administrative Penalties related to companies operating in Electricity, Natural Gas, Petroleum and LPG markets. In this context, the studies carried out in 2017 are as follows;

- EPVYS software development was taken over from TUBITAK and software development procedures were done by the institution personnel.
- The necessary developments for the online application of the YEKDEM are completed.
- LPG Autogas Vendorship License Extension applications began to be taken online.
- LPG Market Coupon Permission Applications started online.
- LPG AutoGas Vendorship License The system was made ready for the online amendment applications.
- Licenses and license modification applications were initiated to be taken online in order to speed up the transactions by taking the certificates, permits, YEKDEM and Expropriation transactions electronically, to simplify / reduce the documents required in the transactions and to not physically receive the documents that can be provided in the electronic environment.
- Work has been done for the receipt of application for recruitment through internet. 12th and 13th

term Assistant Energy Expert job applications were received through the online job application module.

5.1.6. Data Sharing with other Institutions and Organizations (Data Access and Sharing System(VEPS))

Protocol on Reciprocal Data Sharing has been signed with the Revenue Administration Department.

Data sharing protocol was signed with Electricity Distribution Companies and DEDAŞ, Toroslar EDAŞ, AYEDAŞ and Başkent EDAŞ for data sharing within the scope of CBS.

5.1.7. Electronic Notification System (EBİS)

Upon the adoption of the Energy Market Notification Regulation and the Guidelines for Using the Energy Market Notification System, the principles and procedures of the notifications to be made by the licensees have been combined under a single legislative framework.

The work on the unification of notification systems has also been completed. Thus, notifications from the Petroleum, Electricity, Natural Gas and LPG sectors started to be received through EBİS.

Technology upgrading studies are being carried out in order to make the notification system work faster and more efficiently. An update work plan has been developed to upgrade the used Java, Web Server (WildFly), Spring Framework, Hibernate versions. Within the scope of this plan, the updates were implemented step by step and the test process was carried out. The problems occurred during the testing process were eliminated and finally the technology upgrade work was successfully completed.

The data received via the notification system are used to prepare the annual and monthly sector reports published by the Authority and the said reports are published on the website of the Authority.

5.1.8. Institutional Resource Planning (KKP)

Within the scope of the project, it is ensured that all institutional resource operations and transactions (permit, salary, accrual, purchase, etc.) operate in electronic environment and integrated with each other. In this frame, the feedbacks coming from the module users in 2017 were evaluated as request, error, development, support-troubleshooting, development and maintenance studies continued in all modules of the project within the year. In this context, 453 requests were met, 98 errors were eliminated, 17 improvements were made, and 222 problems were solved.

5.1.9. Hardware and System Support Works

Within the Disaster Recovery Scenario, a data hosting service agreement has been signed with TÜRKSAT and a copy of the server backups received has been stored in a remote environment. The service was renewed in 2017 for the continuation of the contract.

The main backbone switching devices which have completed the economic life have been renewed and serviced with the aim of preventing the facilities of the Authority from being interrupted.

The network monitoring software has been purchased with the aim of being able to take proactive measures against the faults that can be occurred more efficiently and more efficiently with the active devices and network traffic of the institution, and after the necessary definitions and configurations have been completed, they have been taken into service.



Working in full compliance with existing security products to be used in Cyber Security infrastructure, we have begun work on establishing a management system that will conspicuate the visibility of the corporate security situation, provide awareness, and receive manual or automated actions on existing security products in the event of a cyber attack.

The topology of the Institutional Information System infrastructure has been updated.

5.2. Automation Works for License Holders

5.2.1. National Marker

In accordance with Article 18 of the Petroleum Market Law No. 5015 and Regulation on the Application of the National Marker on the Petroleum Market in order to prevent the illegal and non-standard product sales by determining whether the petroleum circulating in our country is entering the market through legitimate means, the National Marker application started on 01/01/2007.

Since the beginning of the application, the National Marker used for the relevant license, which has been delivered to the relevant license holders, and the amount of fuel marked are given in the following Table by years.

Table 5.1: Used National Marker and Marked Liquid Fuel Amounts by years

Years	License Type	Amount of NM delivered(lt)	Used NM Amount(lt)	Marked benzene amount(m ³)	Marked diesel amount(m ³)	Marked bio-diesel/ethanol/gasoil amount(m ³)	Total Marked Liquid Fuel Amount(m ³)
2007	Refining Undertaking	105.502,64	100.936,65	2.550.960,00	9.813.110,00	0	12.364.070,00
	Distributors	63.270,89	56.522,89	751.636,00	6.247.129,00	26.719,00	7.025.484,00
	Total	168.773,53	157.459,54	3.302.596,00	16.060.239,00	26.719,00	19.389.554,00
2008	Refining Undertaking	99.646,23	97.632,10	2.632.398,00	9.527.443,00	0	12.159.841,00
	Distributors	58.378,19	58.724,41	394.211,00	6.843.603,00	18.568,00	7.256.382,00
	Total	158.024,42	156.356,51	3.026.609,00	16.371.046,00	18.568,00	19.416.223,00
2009	Refining Undertaking	87.617,32	88.218,87	2.675.966,00	8.320.760,00	0	10.996.726,00
	Distributors	66.726,45	66.141,29	276.821,00	7.975.514,00	12.231,00	8.264.566,00
	Total	154.343,77	154.360,16	2.952.787,00	16.296.274,00	12.231,00	19.261.292,00
2010	Refining Undertaking	79.641,87	79.614,98	2.380.445,00	7.571.627,00	0	9.952.072,00
	Distributors	80.050,80	78.335,93	367.442,00	9.405.426,00	18.591,00	9.791.459,00
	Total	159.692,67	157.950,90	2.747.888,00	16.977.053,00	18.591,00	19.743.532,00
2011	Refining Undertaking	91.993,00	92.304,00	2.413.099,00	9.124.916,00	0	11.538.015,00
	Distributors	72.401,00	72.963,00	193.624,00	8.903.953,00	22.982,00	9.120.559,00
	Total	164.394,00	165.267,00	2.606.723,00	18.028.869,00	22.982,00	20.658.574,00
2012	Refining Undertaking	99.958,02	98.531,33	2.398.835,00	9.917.338,00	237	12.316.410,00
	Distributors	74.187,38	74.738,16	66.004,00	9.245.186,00	30.915,00	9.342.105,00
	Total	174.145,40	173.269,49	2.464.839,00	19.162.524,00	31.152,00	21.658.515,00

2013	Refining Undertaking	94.351,72	94.683,00	2.438.404,00	9.361.800,00	7.140,00	11.807.344,00
	Distributors	95.664,74	90.253,68	17.806,00	11.180.726,00	68.796,00	11.267.328,00
	Total	190.016,47	184.936,69	2.456.210,00	20.542.526,00	75.936,00	23.074.672,00
2014	Refining Undertaking	83.288,36	82.046,06	2.464.564,00	7.731.514,00	59.754,00	10.255.832,00
	Distributors	110.635,56	109.330,47	2.051,00	13.558.513,00	105.822,00	13.666.386,00
	Total	193.923,93	191.376,54	2.466.616,00	21.290.027,00	165.577,00	23.922.220,00
2015	Refining Undertaking	108.111,46	108.536,59	2.823.176	10.664.398	79.484	13.567.058
	Distributors	108.758,10	109.350,88	0	13.516.467	152.793	13.669.260
	Total	216.869,56	217.887,47	2.823.176	24.180.865	232.277	27.236.318
2016	Refining Undertaking	124.068,39	126.088,45	2.918.536,74	12.814.129,71	28.389,19	15.761.055,64
	Distributors	111.493,34	108.872,34	0	13.455.607,96	153.577,87	13.609.185,83
	Total	235.561,73	234.960,79	2.918.536,74	26.269.737,67	181.967,06	29.370.241,47
2017	Refining Undertaking	133.762,01	130.937,80	2.982.718,02	13.369.035,61	15.473,43	16.367.227,06
	Distributors	119.137,46	117.971,15	0,00	14.588.287,66	158.433,03	14.746.720,69
	Total	252.899,47	248.908,95	2.982.718,02	27.957.323,26	173.906,46	31.113.947,74
Total		2.068.644,95	2.042.734,04	30.748.698,76	223.136.483,93	959.906,52	254.845.089,21

The National Marker Field Control Device produced by TUBITAK is under control at any point of the fuel supply chain marketed after the National Marker has been added by the relevant license holders to the condition and level specified by the Authority. The petroleum inspections in the free circulation at Petroleum Market are carried out within the framework of cooperation protocols signed between our Agency and the Ministry of Interior, Science, Industry and Technology and the Ministry of Customs and Trade.

Inspection were made with the participation of the General Directorate of Security, Ministry of Science, Industry and Technology, Ministry of Customs and Trade, General Command of Gendarmerie and Coast Guard Command to determine whether the fuel which is subject to market activity is compliant to market conditions and sufficient condition and level of National Marker audits are carried out within the scope of the programs by Petroleum Market inspections. In the scope of these inspections, the invalidated samples of National Marker measurement result were transferred to TÜBİTAK, EGE-PAL, İNÖNÜ-PAL and KTÜ-YUAM. As a result of such inspections, non-standard or illegal fuel oil specimens were taken and analyzes were carried out, and legal actions were taken regarding facilities whose samples were found to be in violation of technical regulations and / or where the National Marker measurement result was invalid.

As a result of the National Marker application, product quality control can be carried out at every stage of the product supply chain by separating the illegal fuel with the fuel that is legally in free circulation in the country and the supply of the illegal fuel to the domestic market and the mixing of the non-standard fuel with other fuel are prevented from being presented to the market. Thus, the fuel supplied to the market can be indirectly ensured to conform to the standards.

5.2.2. Liquid Fuel Vendors Automation System

In line with the provision of the seventh paragraph of Article 7 of the Petroleum Market Law, "The licensee establishes and implements an inspection system that includes technological methods to prevent the sale of fugitive oil in accordance with the principles determined by the Authority " the necessary work have been



carried out by the Authority and the Board Decision dated 27/06/2007 and numbered 1240, which was published in Official Gazette dated 2007 and numbered 26574, was taken.

In this respect, paragraph (b) of the aforementioned Board Decision states that "a station automation system is established for daily monitoring of stock movements and fuel purchase and sale transactions in electronic environment at the fuel stations. It monitors and reports the fuel purchase and sale movements of its dealers with its centralized station automation system. The licensee is obliged to install and implement automation systems in accordance with the provision of "Shall promptly inform the Authority in case of unregistered supply and sales." Such obligation for fuel stations started on 30/06/2011; for fixed village pumps and sale tanks for agricultural purposes on 30/09/2011.

Within the scope of the Board Decision Regarding the Vendor Audit System no. 1240, distributor license holders have obligations to report to our Authority on a daily and monthly basis the data they collect through the audit system they have established. Some of these data are received as electronic signed notification within the scope of EBIS and some of them are delivered to our web services. The station automation system data that reaches to our institution is shared with the institutions and organizations in charge of fighting with illegal fuels within the scope of Petroleum Market Law to the extent required by their duties. In addition, statistical information generated in the direction of the data is shared with the Ministry of Energy and Natural Resources on a weekly basis.

5.2.3. Petroleum Depot Stock Monitoring System

Establishment of tank tracking system has been completed so that the amount of petroleum in the tanks in Petroleum Market storage facilities that are included in national stock and monitoring of the levels in electronic environment hourly and the data generated in these systems can be followed directly by our Institution. Coupon system was added to Petroleum Stock Inventory Tracking System as of 01.01.2018.

5.2.4. Cylinder Monitoring Automation System

Within the scope of the Communiqué on Monitoring of the LPG Cylinders in Market published on Official Gazette dated 15/10/2016 and numbered 29858, studies on establishing a system by the distribution licensees allowing the Authority for the immediate inquiry of the cylinder code tracking system was continued.

6. AUDIT

The Authority is authorized to audit energy markets under Laws 4628, 4646, 5015, 5307 and 6446. In this context, it has been determined how to conduct inspections and investigations by means of four separate regulations on Electricity, Natural Gas, Petroleum and LPG markets, and the procedures and principles to be followed in preliminary investigations and investigations.

The Board may decide ex-officio or through the complaints or denunciations filed into the authority whether to directly conduct an investigation or a preliminary examination to search for the necessity of a direct investigation against the legal and real persons in breach of related legislation. In this respect, necessary amendments have been made after the Law on the Amendment of the Electricity Market Law and the Law on Electricity Market Law No: 6719 in the regulations regarding the execution of the inspection, preliminary examination and investigation activities to be carried out in Electricity, Natural Gas, Petroleum and LPG markets and the related regulations were published in Official Gazette dated 04/01/2017 and numbered 29938. With the amendments made, the Board has delegated the authority to open preliminary investigations and investigations to the Presidency or to the Department Head.

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

Audit work carried out by the relevant organizations on behalf of the Authority under Petroleum Market and Liquefied Petroleum Gases (LPG) Market Cooperation Protocols on Inspections to be carried out continued intensely in 2017 as well.

6.1. Electricity Market Audit Activities

As a result of the inspections and investigations carried out in the Electricity Market, sanctions and penalties in accordance with Article 16 of the Law No. 6446 are applied.

In 2017, 74 new inquiries have been initiated about the companies that have been registered in the Electricity Market in violation of the legislation. Within the scope of ongoing investigations, 247 sanctions were imposed in 2017; About 36 license holders Total of 41,086,905 TL, 65 administrative fine sanctions were imposed.

6.2. Natural Gas Market Investigation and Audit Activities

6.2.1. 5 Year Investment Obligations of Natural Gas Distribution Companies

Under the "Natural Gas Distribution License Tender", which is made separately by the Authority for each Distribution Zone, all Distribution Companies that are entitled to receive the license have 5 (five) year investment obligations as per the Distribution License, TOR which is an inseparable part of the license and the related legislation.

Board decision dated 29/01/2009 and numbered 1955 was adopted to determine whether the obligations of 5 (five) years' investment were fulfilled as per the fifth paragraph of the fourth section of Article 4 of the Natural Gas Market Law No 4646, Article 30 of the Natural Gas Market Distribution and Customer Service Regulation, and the relevant section of the "General Provisions" of the licenses of the Distribution Companies. Within the framework of the relevant Board Decisions, for the monitoring and examination of Natural Gas Distribution Companies' 5 year investment obligations on behalf of the Authority, Istanbul Applied Gas and Energy Technologies Research and Engineering Industry Trade CO.INC., (UGETAM) and S & Q Mart Quality Security Industry and Trade CO.INC. (S & Q MART) were authorized.



With the Board Decisions dated 05/07/2011 and numbered 3303-4 and dated 18/04/2012 and numbered 3783-2 within the scope of the Natural Gas Distribution Companies' 5-year investment obligations, the regulation on examining the investments which can not be done due to force majeure, besides within the scope of the Board Decision dated 08/01/2015 and numbered 5409-5 arrangement was made to determine the current status of investment deemed as force majeure in the 5-year investment liability report.

Within the framework of the authorization for the scope and reporting determined for the works; In 2017, S & Q MART made on-site inspections in 2 Distribution Regions for 5 years investment liability and presented reports to the Authority. The reports are examined by the Commission established within the body of the Authority and the matters considered as non-compliant with the Commission are transferred to the Auditing Department as a result of the Commission's investigations.

6.2.2. Natural Gas Market Audit Activities

In Natural Gas Market; In 2017, an investigation was carried out on 140 companies that have licenses and certificates (Construction Service, Internal Installation and Service Lines Certificate) which violate the legislation and 139 admonitions and one administrative fine amounting to 456.858.-TL were imposed.

6.3. Petroleum Market Audit Activities

Petroleum Market audits are the activities done by examining the legal compliance of the activities of real or legal persons operating in the market with the provisions of the relevant legislation and investigation of compliance with the technical regulations of petroleum and lube oil supplied to the market by such persons, in cases of violations, irregularities and abuses, imposing required sanctions. Administrative fines and administrative sanctions are applied as a result of the examination and inspection activities carried out for Petroleum Market activities.

The inspections under the Cooperation Protocols on Inspection of Petroleum Market and Liquefied Petroleum Gases (LPG) Market are carried out under the coordination of the Agency. In this context, the market activities to be audited, the date of the audit and the regions where the audit will be carried out are determined by the Authority and planned by these institutions within the responsibility areas of the public institutions and organizations that are jointly planned or supervised with the relevant stakeholders within 1 (one) License holders are audited at least once a year, including the National Marker.

Both as a result of the determinations and in line with the complaints and denunciations audits have been continued by the institutions and organizations that are authorized to carry out inspections on behalf of the Authority. Inspections were carried out at the Provincial Gendarmerie Commands and Provincial Police Departments under the supervision of the Ministry of Customs and Trade and the Prosecutor's Office for facilities where illegal fuel sales were carried out with hidden tanks and facilities other than the settlement plan and determinations were made for illegal fuel sales.

Transfers of funds made between the years 2015 and 2017 are shown in Table 6.1.

Table 6.1: Transfer of Funds to the signatories of the protocol for audits between 2015-2017

Name of the institution	Amount of transferred funds (TL)		Change (%)	Amount of transferred funds (TL)	Change (%)
	2015	2016	2015→2016	2017	2016→2017
General Command of Gendarmarie	1.500.000.-	1.500.000.-	-	2.400.000.-	60,00
Security General Directorate	1.500.000.-	2.500.000.-	66,67	2.500.000.-	-
Coast Guard	7.000.000.-	8.800.000.-	25,71	9.000.000.-	2,27
Ministry of Science, Industry and Technology	9.000.000.-	12.000.000.-	34,44	14.000.000.-	16,66
Ministry of Customs and Trade	3.000.000.-	4.000.000.-	33,33	4.000.000.-	-
TÜBİTAK	29.755.612.-	27.000.000.-	-9,26	33.000.000.-	22,22
TOTAL	51.755.612.-	55.800.000.-	8,01	64.900.000.-	16,30

Also, license holders have been examined whether they are operating in compliance with Law No. 5015 and related legislation.

Within the scope of the petroleum market audits, for the purpose of determining whether the liquid fuel supplied to the market by licensees contain adequate amount of national marker, with the participation of the staff of Security General Directorate, Ministry for Science, Industry and Technology, Ministry of Customs and Trade, General Command of Gendarmarie and Coast Guard audits were made and the invalidated samples were transferred to TÜBİTAK, EGE-PAL, METU PAM, İNÖNÜ-PAL and KTÜ-YUAM. As a result of such inspections, legal actions have been taken against facilities which are determined to have non-standard or illegal liquid fuel and which are found to be incompatible with the technical regulations and / or the National Marker measurement result was invalid.

Table 6.2: Benchmarking Result Analysis of national Marker Field Equipment (XP) for years 2015-2017

Measurement no.	2015		2016		Change (%)	2017		Change (%)
	No	Share(%)	No	Share(%)	2015→2016	No	Share (%)	2016→2017
No of valid measurements	101.587	96,22	90.284	97	-12,52	88.395	95,13	-2,13
No of invalid measurements	3.995	3,78	2.713	3	-47,25	4.521	4,87	66,64
Total no of measurements	105.582	100	92.997	100	-13,53	92.916	100	-0,087



Administrative fines imposed as a result of the inspections and investigations carried out in Petroleum Market in 2017 are shown in Table 6.3 and Table 6.4.

Table 6.3: Breakdown of administrative fines imposed in Petroleum Market in 2017 by license types

License Type	No of administrative fines imposed	Share (%)	Amount of administrative fine(TL)	Share (%)
Vendorship	888	66,62	153.999.808	38,36
Lube oil	31	2,33	1.165.555	0,3
Processing	1	0,08	11.285.105	2,81
Bunker	10	0,75	3.492.678	0,87
Storage	3	0,24	1.168.306	0,29
Refining Undertaking	2	0,16	80.106	0,02
Distributor	397	29,82	230.238.626	57,35
Total	1.332	100	401.430.184	100

Table 6.4: Breakdown of administrative fines imposed in Petroleum Market in 2016-2017 by license types

License Type	2016		2017	
	Amount of administrative fine (TL)	Share (%)	Amount of administrative fine (TL)	Share (%)
Vendorship	182.946.307	16,28	153.999.808	38,36
Lube oil	37.854.763	3,37	1.165.555	0,3
Processing	4.034.300	0,36	11.285.105	2,81
Bunker	5.006.098	0,45	3.492.678	0,87
Storage	890.450	0,08	1.168.306	0,29
Refining Undertaking	70.000	0,01	80.106	0,02
Distributor	892.725.558	79,45	230.238.626	57,35
Total	1.123.527.476	100	401.430.184	100

The distribution of the administrative penalties imposed by Petroleum Market in 2017 is shown in Table

Table 6.5: Breakdown of Administrative Fines Imposed in Petroleum Market in 2017 by subject matters

Subject matter	No of administrative fines imposed	Share (%)	Amount of administrative fines (TL)	Share (%)
Authomation liability and out of license activity	489	36,68	219.329.870	54,62
National Marker not being in adequete amount	100	7,50	47.258.620	11,77
Liquid fuel delivery whose origin is not clear or from different distributor	202	15,15	19.916.689	4,96
Other*	542	40,66	115.045.005	28,65
Total	1.333	100	401.430.184	100

*Covers the violations of the Petroleum Market legislation's obligation to avoid carefully the malicious acts and the consequences of dangerous actions, and the irregularities involved in the National Marker addition process

6.4. Liquefied Petroleum Gases Auditing Activities

Liquefied Petroleum Gases market inspections are carried out by examining and evaluating the relevant legislative compliance of the activities and accounts of the real or legal persons engaged in the market in the market. Inspections and penalties to be applied for inspection activities and consequences for activities carried out on the Liquefied Petroleum Gases market are implemented within the framework of Article 16 of Law No. 5307. Transactions are also carried out under the secondary legislation issued based on the provisions of this Law. Petroleum Market and Liquefied Petroleum Gases (LPG) Market under the Cooperation Protocols on Supervision of the Market, the entire market was audited and the activities of natural or legal persons operating without license were stopped by sealing.

As per the (LPG) Markets Law No. 5307, Regulations on the Procedures and Principles to be Followed in the Audits of Liquefied Petroleum Gases (LPG) Market, Principles and Procedures to be Followed in the Preliminary Examinations and Investigations, Cooperation Protocols on the Audit of the Petroleum Market and Liquefied Petroleum Gases (LPG) Markets and the Board Decision dated 09.06.2010 and numbered 2598-76, The determination of whether the LPG cylinders are not necessary, whether they are subject to sales or taxation, whether the LPG owners have obtained the required license permits and documents from the relevant Public Institutions and Organizations, including the ones that are vacant and whether the connections of its deliveries were made by the tube franchisees to the hospital and that the use of the LPG tubes as an outer shell of the bomb system in the construction of handmade explosives by terrorist organizations, The Ministry of Industry and Technology Coordination has carried out the work plan and the supervisors of the protocol organizations have been audited.

Table 6.6: Breakdown of the administrative fines imposed in 2017 in LPG Market by the license types

License Type	No of imposed administrative sanctions	Share (%)	Amount of administrative fines (TL)	Share (%)
Vendorship	375	94,46	53.513.807	86,51
Distributor	21	5,29	7.925.093	12,81
Storage	1	0,25	419.205	0,68
Total	397	100	61.858.105	100

Table 6.7: Breakdown of the administrative fines imposed in 2016-2017 in LPG market by license type

License Type	2016		2017	
	Amount of administrative fines (TL)	Share (%)	Amount of administrative fines (TL)	Share (%)
Vendorship	34.905.138	87,01	53.513.807	86,51
Distributor	3.611.701	9,01	7.925.093	12,81
Storage	1.597.429	3,98	419.205	0,68
Total	40.114.268	100	61.858.105	100

Administrative sanctions and administrative fines in the LPG market are applied for actions of operating without a license, supplying products contrary to technical regulations, not employing a responsible manager and authorized personnel, keeping other distributor's cylinders, not having compulsory insurance, having an apparatus for filling cylinders at the gas station and/or filling cylinders.



Table 6.8: Breakdown of administrative fines in LPG Market in 2017 by the subject matter

Subject matter	No of imposed administrative fines	Share (%)	Amount of administrative fine (TL)	Share (%)
Not having a responsible manager in the station	209	55,73	17.304.804	27,97
Other	59	9,87	16.724.412	27,04
Filling propane cylinders in the station	39	10,40	15.358.091	24,83
Employing non-certificated staff	76	20,27	6.471.678	10,46
Delivery of LPG incompliant to technical regulations	14	3,73	5.999.120	9,70
Total	397	100	61.858.105	100,00

7. EXPROPRIATION, LEASING and ESTABLISHMENT OF EASEMENT RIGHT

The procedures for procurement of immovables required for the establishment of generation and distribution facilities in the electricity market, transmission, distribution and storage facilities in the Natural Gas Market, refining undertakings, licensed storage facilities, transmission lines and processing facilities in the Petroleum Market are carried out by the Authority as per the Art.19 of Electricity Market Law, Art. 12 of the Natural Gas Market Law and Art. 11 of the Petroleum Market Law. In addition, the Authority carries on works and procedures pursuant to Provisional Article 16 of the Electricity Market Law No. 6446.

In this context, the activities carried out in 2017 regarding the transfer procedures by applying the 30th article of Expropriation Act 2942, Expropriation for privately owned immovables, establishment or leasing of the easement for immovables under the property of the Treasury Treasury or the State, and the immovable property of other public institutions and organizations are as follows:

- In 2017, a total of 1.008 Board Decisions were taken regarding the provision of 13.571 immovables required for the establishment of power plants:
- 321 Board decisions were taken regarding the establishment of easement rights in the property of the Treasury Treasury or in 3.280 of immovable properties under the jurisdiction and discretion of the State.
- 37 Board decisions were taken regarding the establishment of lease transactions in 177 immovable properties owned by the Treasury Treasury or under the jurisdiction and discretion of the State.
- 212 Board decisions were taken regarding the implementation of the 30th article of Expropriation Law numbered 2942 in 5.114 immovable properties owned by other public institutions and organizations.
- In accordance with the first paragraph of the 19th article of the Electricity Market Law No. 6446, 295 Board Decisions and 3,968 Public Benefit Decisions were taken.
- 34 necessity decisions regarding 34 natural gas storage facilities were taken.
- In addition, in 2017, 109 waivers, cancellations or amendments were made with respect to a total of 998 immovables.
- In 2017, to be used in the project works of licensed entities, 15 printed maps with 1/25 000 scale from the General Command of Map, 198 maps with 177 numerical rasters with 1/25 000 scale, 198 vector maps with 1/25 000 scale, 500 digital aerial photographs, 3 aerial photo DVDs and 75 digital elevation modeling were procured.
- In order to determine the ways and methods to be followed during the execution of the works and transactions that are going to take place in the Department of Expropriation in accordance with the legislation and the technique and to ensure that the duties, powers and responsibilities are carried out efficiently and continuously and maintained in a regular manner, "Principles and procedures for the transactions of procurement of Immovables Executed by the Energy Market Regulatory Authority" were completed in 2017 and accepted by the Energy Market Regulatory Board Decision No. 7651 dated 18/01/2018.
- In order to be used in the execution of the tasks and processes that fall under the task of the Department of Expropriation, the studies for the acquisition of a CAD based computer software program were completed in 2017



8. LEGAL WORKS

8.1. Litigation Procedures

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.

Table 8.1: Breakdown of the cases of which EMRA is a party in 2017

Type of Case	Number of cases	Share (%)
Criminal cases	716	24,20 %
Administrative cases	1.759	59,47 %
Legal cases	483	16,33 %
TOTAL	2.958	100 %

Table 8.2: Breakdown of the cases of which EMRA is a party as of the end of 2017

Type of case	No of cases	Share (%)
Criminal cases	29.780	58,88 %
Administrative cases	16.227	32,09 %
Legal cases	4.568	9,03 %
TOTAL	50.575	100 %

Table 8.3: Breakdown of cases of which EMRA is a party in 2017 by sectors

Market	Number of Cases	Share (%)
Electricity	701	23,70 %
Natural Gas	45	1,52 %
Petroleum	1.825	61,70 %
LPG	177	5,98 %
Expropriation	151	5,10 %
Other	59	2,00 %
TOTAL	2.958	100 %

Most of the lawsuits are related to Petroleum Market.

Table 8.4: Breakdown of cases of which EMRA is a party as of the end of 2017 by sectors

sector	No of cases	Share (%)
Electricity	6.613	13,08
Natural Gas	438	0,87
Petroleum	41.305	81,67
LPG	1.509	2,98
Expropriation	159	0,31
Other	551	1,09
TOTAL	50.575	100

Table 8.5: Breakdown of cases of which EMRA is a party by years

Sector	2015		2016		2017	
	No of cases	Share (%)	No of cases	Share (%)	No of cases	Share (%)
Electricity	662	21,57	1.300	35,11	701	23,70
Natural Gas	45	1,47	36	0,97	45	1,52
Petrol	2.208	71,94	2.138	57,74	1.825	61,70
LPG	81	2,64	123	3,32	177	5,98
Expropriation	-	-	-	-	151	5,10
Other	73	2,38	106	2,86	59	2,00
TOTAL	3.069	100	3.703	100	2.958	100

The "Expropriation" tab has been added to our Institutional Data Management System in 2017 and the lawsuits regarding the expropriation transactions can be followed in the distribution of the cases starting from 2017.

In 2017;

- 2,958 cases were filed against our Institution.
- 2,958 respondents who are party to our institution; 716 criminal cases, 1,759 administrative cases, 483 legal cases.
- 1,524 cases were filed in accordance with non-file (non-prosecution, notice of levy, lack of jurisdiction, etc.)

Table 8.6: Status of the cases litigated by EMRA as of 31.12.2017

Case Type	Case No.	Finalized	Pending
Criminal cases	29.780	177	29.603
Administrative cases	16.227	4.741	11.486
Legal cases	4.568	16	4.552
Total	50.575	4.934	45.641

- As of 31/12/2017; There were 5.0575 lawsuits of which EMRA is a party and 45,641 lawsuits were still pending.
- 29.780 out of 50.575 cases are criminal cases, 16.227 are administrative cases, 4568 are legal cases.
- 4.934 cases have been finalized, 177 of them were criminal cases, 4.741 were administrative cases, 16 were legal cases.
- 45,641 cases are pending, 29.603 of which are criminal cases, 11486 are administrative cases and 4.552 are legal cases.
- 11.543 extra-judicial files have been litigated. (non-prosecution, notice of levy, lack of competence etc.).



Table 8.7: The resolutions

Case Type	In favour		Against	
Criminal cases	148	%83,62	29	%16,38
Administrative cases	3.640	%76,78	1.101	%23,22
Legal cases	10	%62,50	6	%37,50
Total	3.798	%76,98	1.136	%23,02

Table 8.8: The resolutions

Case Type	In favour		Against	
Criminal cases	7.734	%86,25	1.233	%13,75
Administrative cases	8.508	%74,71	2.880	%25,29
Legal cases	79	%63,71	45	%36,29
Total	16.321	%79,70	4.158	%20,30

8.2. Providing 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. Apart from our service units, opinions are also given to the Prime Ministry, Ministries and other public institutions and organizations. In this context, 176 legal opinions were given in 2017 and the number of legal opinions given as of 31/12/2017 increased to 2,484.

Table 8.9: Breakdown of opinions given in 2017

Opinions were given to	No of opinions	Share (%)
Electricity Market Department	772	31,08
Natural Gas Market Department	412	16,59
Petroleum Market Department	485	19,52
Liquefied Petroleum Gases Market Department	194	7,81
Expropriation Department	22	0,89
AuditDepartment	183	7,37
Tariffs Department	82	3,30
Human Resources and Support Services Department	100	4,03
Strategy Development Department	102	4,11
Special Bureau for the Board	4	0,16
Prime Ministry, Ministries and Other State Institutions	128	5,14
TOTAL	2.484	100,00

Table 8.10: Breakdown of opinions given by years

Opinions were given to	2015		2016		2017	
	No of opinions	Share (%)	No of opinions	Share (%)	No of opinions	Share (%)
Electricity Market Department	48	28,24	52	25,62	29	16,48
Natural Gas Market Department	19	11,18	18	8,87	11	6,25
Petroleum Market Department	47	27,65	61	30,05	45	25,57
Liquefied Petroleum Gases Department	7	4,12	14	6,90	16	9,09
Expropriation Department	9	5,29	3	1,48	3	1,70
Audit Department	7	4,12	18	8,87	22	12,50
Tariffs Department	13	7,65	13	6,40	9	5,11
Human Resources and Support Services Department	5	2,94	3	1,48	4	2,27
Strategy Development Department	3	1,75	11	5,42	9	5,11
Prime Ministry, Ministries and Other State Institutions	12	7,06	10	4,91	28	15,92
TOTAL	170	100	203	100	176	100



9. PROTECTING CONSUMERS' RIGHTS

Works are conducted to ensure the protection of consumer rights; to determine the standards, principles and procedures for the services to be provided by the legal persons operating in the market, informing the public about the regulations and implementations on energy market and creating awareness.

Improvements have been made in EBYS so that the statistics of the complaints coming to the institution can be done in a healthier way and it is ensured that various statistics about the complaints received can be reported instantaneously.

The Authority has made updates on the internet page and provided more convenient access to the Consumer Section. The Consumer Section also includes information such as Internet addresses, call center phones, etc., owned by Electricity Distribution and Assigned Supply Companies and Natural Gas Distribution Companies.

Due to the gradually increasing number of complaints coming to the Agency and in order to make it easier and faster to direct the complaints to the related parties, the address of the KEP has been imposed on the addressees and complaints have been submitted as an Electronic Correspondence Package (EYP) to their owners. In this way, customer complaints were directed to the address of the solution more quickly and the applicant was informed by sending SMS at every stage and ease of follow-up was provided on the internet page via ID number. Responses from Distribution Companies are provided on the internet page to be seen by the applicant.

9.1. Creating and Developing Customer Awareness

Within the context of studies on creating consumer awareness about regulations and applications related to energy market and rights and responsibilities of consumers; The update and accessibility of the Consumer Section of the institution's internet page is constantly monitored.

The Consumer Corner has been created to include some or all of the following headings on sector basis:

- Legislation (Legislation directly related to the consumers of the relevant market is included)
- Market and Consumer Rights (Market structure and presentation of what basic consumer rights are in this market)
- Consumer Guide and Frequently Asked Questions (Includes consumer responses to frequently asked questions and explanations about the use of consumer rights)
- National tariffs of past periods and other country implementations (prices applied to non-eligible consumers in Electricity Market and prices applied in other countries, direct access was given to prices applied by Natural Gas Distribution Companies)
- Invoice Calculation Module (included in the price module which allows Electricity consumers to perform billing checks)
- Communication Addresses of Distribution Companies (including Electricity and Natural Gas Distribution Companies' Web Address, Call Center, Request / Complaint and e-mail addresses)
- Contact Addresses of the Assigned Supply Companies (includes the Web address, Call Center, Request / Complaint and e-mail addresses of the Companies)
- Complaints and Information Acquisition (The consumer has been given an active module to respond to complaints and information requests)

9.2.Evaluation of Consumer complaints

The licensees are obliged to quickly resolve and / or to make arrangements for resolution of the complaints and denunciations related to the subjects of activity while ensuring compliance with the obligations set forth in the legislation in relation to consumers and users.

Consumers are entitled to apply to the Authority if they do not receive a satisfactory or sufficient answer to the application made by the service companies. In this way, the applications reaching the Authority are taken into consideration with the correspondence with the related legal entity and examined and concluded within the scope of the legislation.

It is important that the means of finding consumers and their claims in complaints and complaints are clear, simple and easy, in the context of monitoring the obligations of licensees operating on the market within the framework of the relevant legislation and ensuring that the necessary arrangements are made quickly.

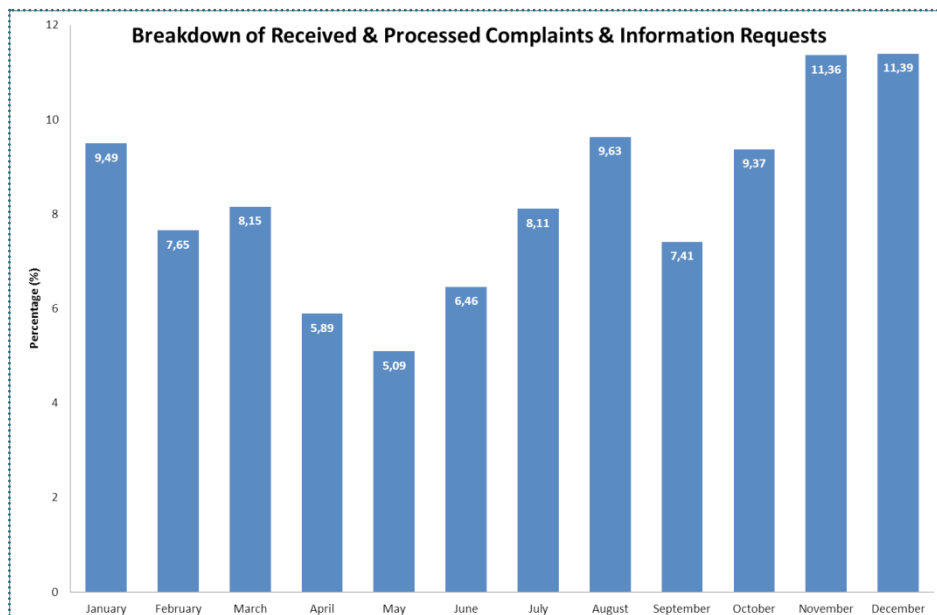
In this frame, studies are continuing to communicate the complaints, which are transmitted from different channels by our Agency, to the related party quickly, to monitor the resolution of the complaints and to carry out audits if necessary.

9.2.1. Information Acquisition/Complaint numbers and channels

CIMER, BİMER, Ministry, EMRA’s web page (Form) and EMRA’s general document channels are used when notifications are delivered to our Authority. In 2017, 66,243 applications were submitted to our Authority, using all channels. BİMER applications were 48.282, application forms were 10.657, CIMER applications were 6.649, applications with MENR channel were 369 and applications with general document were 286.

49.798 applications were directed to the Agency by BİMER. 1,449 of these applications were returned and 67 were referred to other institutions. The remaining 48,282 were assessed in relation to the Authority’ss mandate, were directly answered and approved by the Consumer Rights and Customer Service Group.

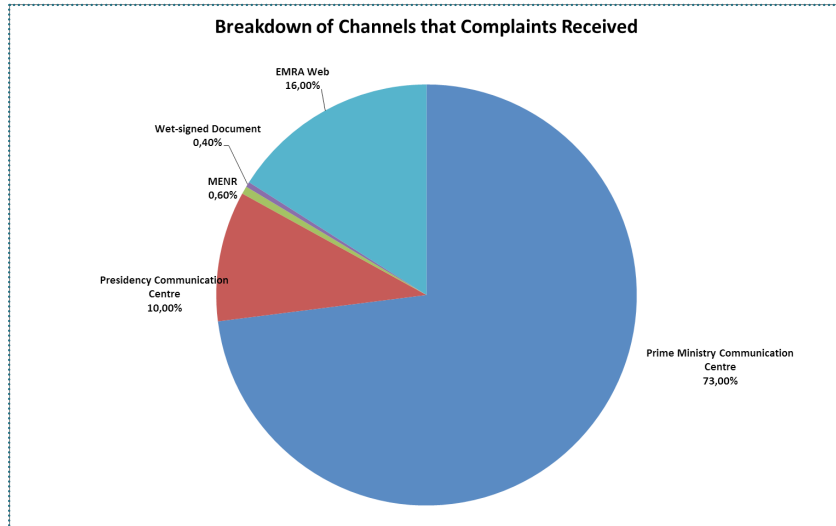
Total 51,161 applications submitted to our institution by BİMER, Institution web page, CIMER, MENR and General Documents channels were processed to be evaluated and sent to related companies. Percentage distribution of the notifications processed is given below.





Looking at the monthly realizations of the notifications, it is seen that the largest share belongs to December with 11.39% followed by November, August and January.

The percentage distribution of realizations according to complaint channels is also shown in the chart below.

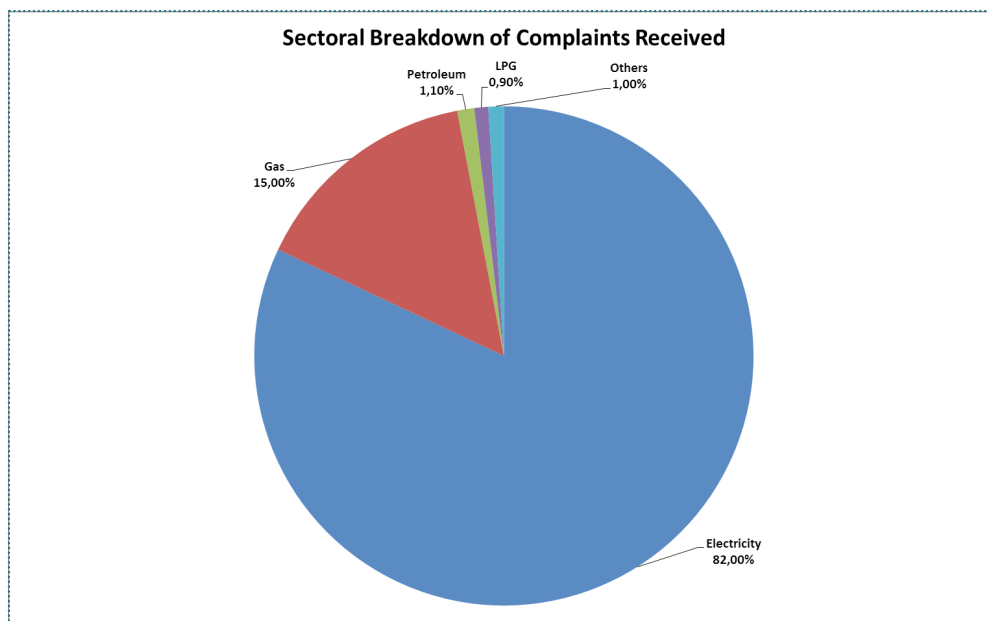


73% of Complaint Notifications were made through BİMER. After BİMER, the maximum number of notifications was realized with 16% Authority's web page (Form) channel and 10% with CIMER channel. EMRA web page is followed by MENR and EMRA General Documents channels respectively.

Notifications are categorized as Legislation / Suggestion, Complaint, Other and Not in the Field of the Subject Institution according to the subject headings.

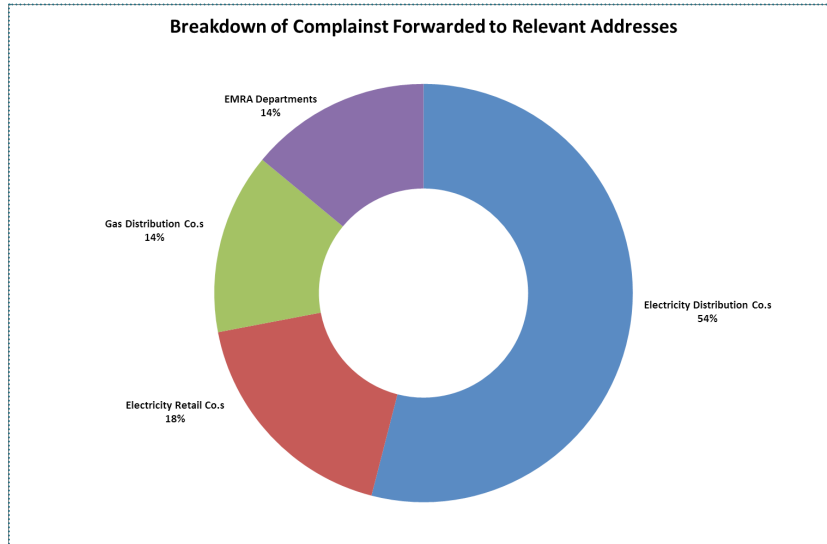
9.2.2. Sectoral breakdown of the complaint notifications

The notifications communicated under the complaint category are separated into Natural Gas Market, Electricity Market, Liquefied Petroleum Gas Market (LPG) and Petroleum Market within the framework of protection of consumer rights and examination of consumer complaints. The percentage distribution of complaint notifications belonging to these sectors is given in the graphic below.



Electricity sector has the biggest share with 82% in the sectoral distribution of complaints. Natural gas sector with 15%, petroleum sector with 1.1%, followed by electricity sector. The reason why complaints are particularly concentrated in the Electricity and Natural Gas sectors is the presence of more than 40 million consumers in the Electricity sector and about 12 million consumers in the Natural Gas sector (eligible and non-eligible) in 2017 and in particular the irreplaceable nature of Electricity energy.

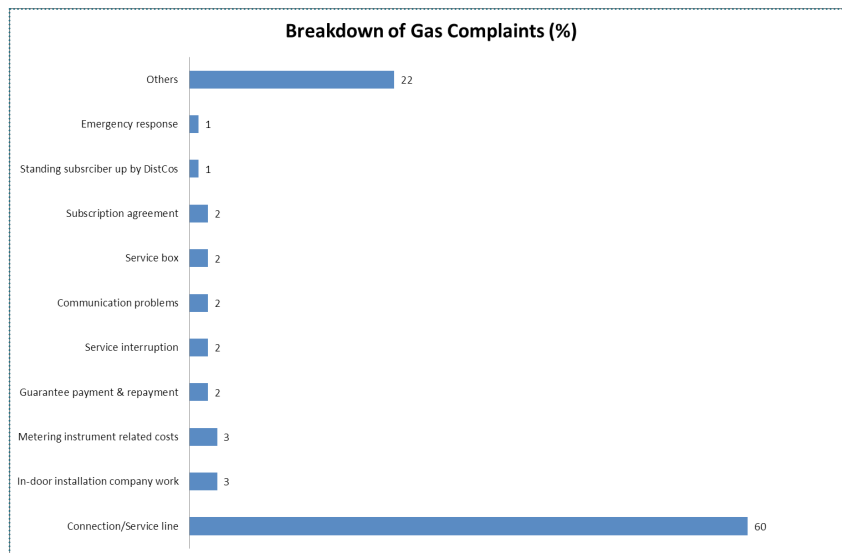
Breakdown of the 51.161 accepted complaint notifications by the places they are forwarded for examination.



The biggest part of the complaints received into the institution’s correspondence system was forwarded to Electricity Distribution with 54%, Electricity assigned supplier companies with 18%, natural gas distribution companies with 14% and the related sectoral departments of the authority with 14%.

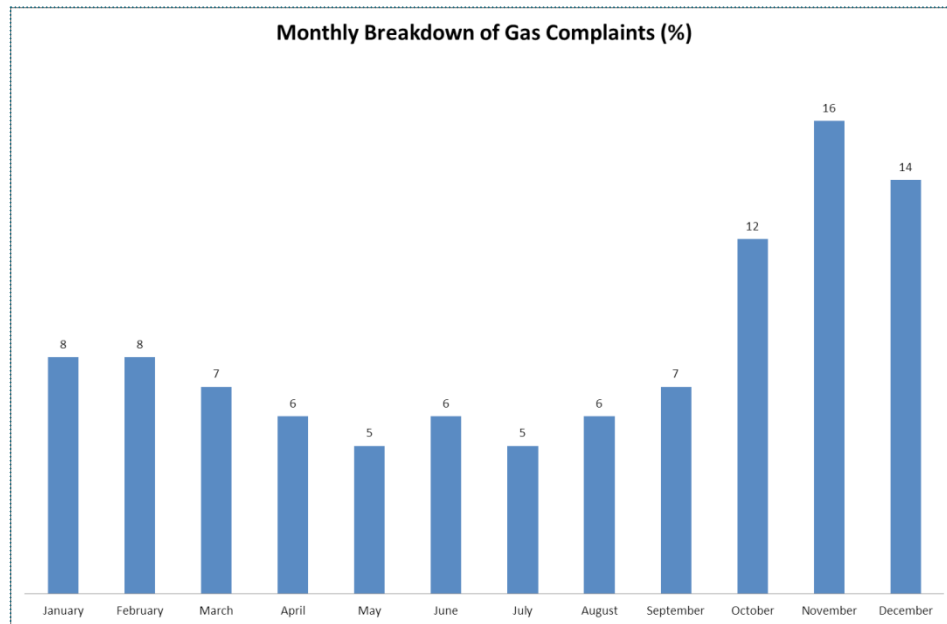
9.2.3. Classification of Complaints and Realizations in Natural Gas Sector

In order to establish the necessary procedures for the protection of consumer rights and consumers, sector specific classifications have been made under the complaint category, taking into consideration the relevant legislation. In natural gas sector, Subscription, Connection-Network, Meter, Quality, Customer Service, Billing, Price-Tariff, Category Not Selected and Complaint Document. Percentage distribution of notifications subject to the complaint category for this period, based on subclassifications, is given below.





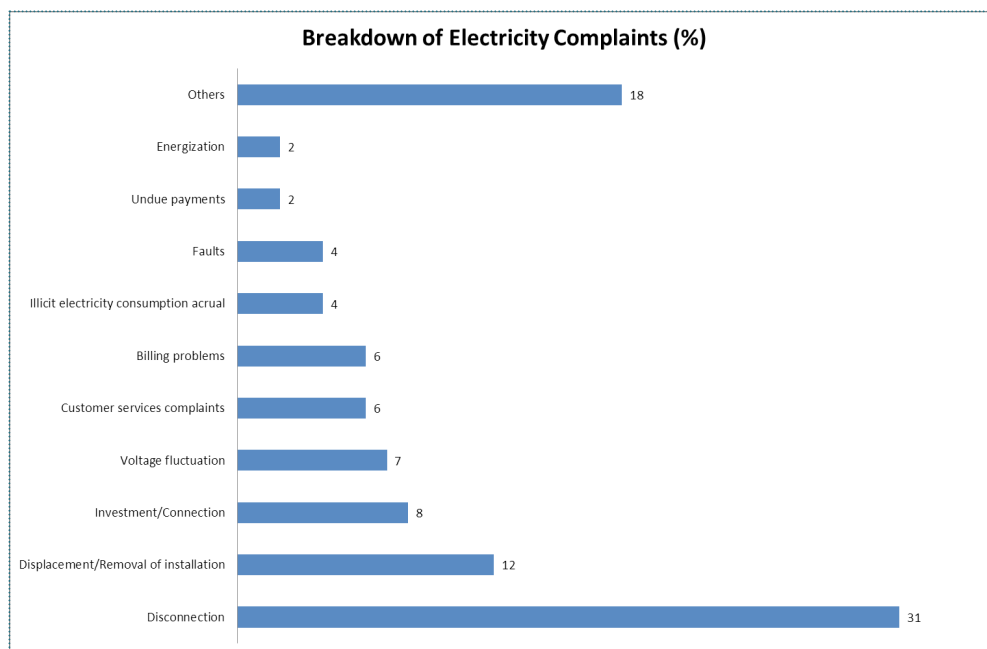
In natural gas sector most complaints with 60% are about the connection / service line. This is followed by other categories. Percentage breakdown of reported notifications of natural gas sector by months are given below



Looking at the monthly realizations of the notifications, it is seen that the biggest share is 16% with November, followed by December and October.

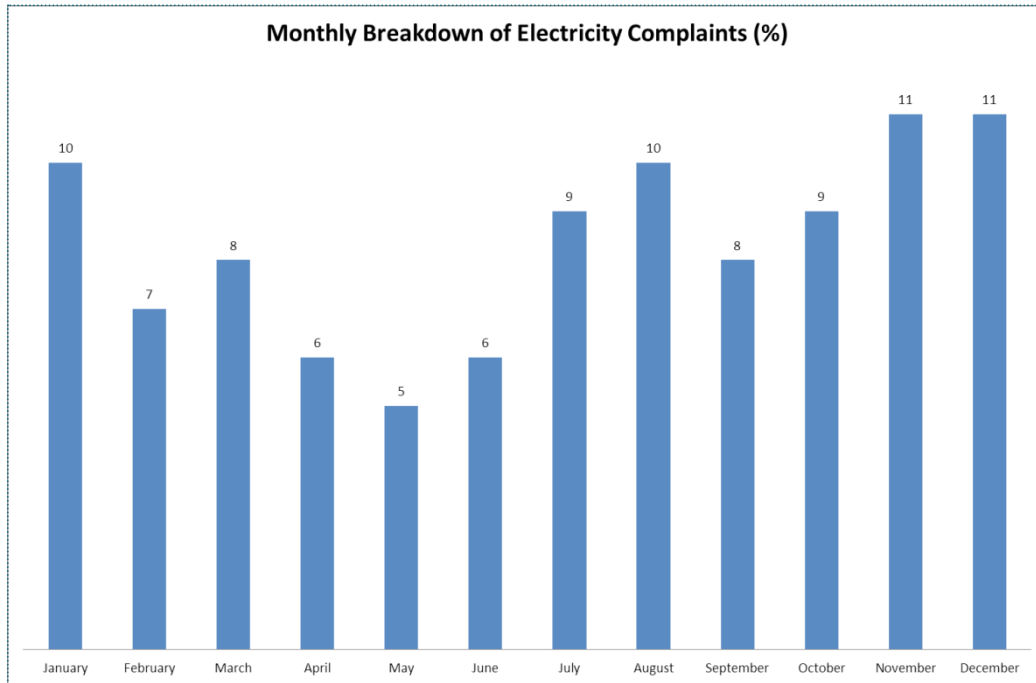
9.2.4. Classification of complaints and realizations in the Electricity Sector

Within the framework of consumer rights and protection of consumers, sub-classifications specific to the Electricity sector have been made under the complaint category. Subcategories such as Subscription, Link-Network, Counter, Quality, Customer Service, Billing and Price-Tariff have been made under the main categories of complaints about Electricity sector. Percentage distribution of notifications subject to the complaint category for this turnover based on subclassifications is given below.



The most concentrated areas of complaints in Electricity Market are Energy Conservation with 31%, Installation / Removal of Facilities (Line, Transformer, post) with 12%, Investment / First Connection (Network Connection) and 18% with others.

Percentage distribution of the notifications that are processed in the Electricity sector and are reported on a monthly basis are given below.



Looking at the monthly realizations of the notifications, it is seen that the biggest share is 11% with November and December, followed by January and August respectively.

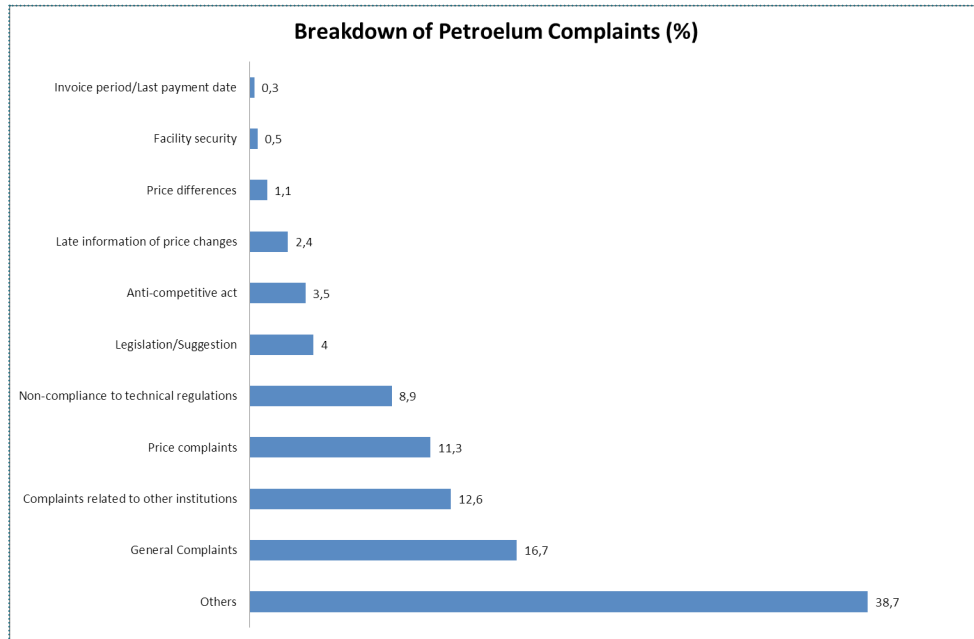
9.2.5. Classifications of complaints and realizations in LPG Sector

Based on the related legislation, the price / tariff, quality, category was not selected under the complaint category considering other factors such as consumer rights and protection of consumers and other categories and legislation / suggestion subcategories were determined.

The most intensified areas of complaints in the LPG market were Competition Violation by 8%, Legislation / Recommendation by 7%, Fuel / LPG Price and Price Increase by 6% and Pump and Table Prices in 2%.

9.2.6. Classification of Complaints and realizations in the Petroleum Sector

In order to establish the necessary procedures for the protection of consumer rights and consumers, the petroleum sector specific classifications have been made under the complaint category taking into consideration the relevant legislation. Price / Tariff, Quality, Category not selected, Subject other than the scope of duty, other sub-categories of legislation / proposal have been determined. Percentage distribution of notifications treated in this period on the basis of subclassifications are given below.



The areas where petroleum market complaints are most intensified are respectively designated as other and complaint documents.

10. PRESS AND PUBLIC RELATIONS

By the Consent of the President dated 10/07/2009 and number B.62.0.SGD.17-601-95 activities under the scope of Right to Information Law No: 4982, is being executed by the Press Counsellor.

In the year of 2017, besides the follow-up and evaluation of the publications related to the energy sector and the activities of EMRA and answering the written and oral questions directed to the Authority by press members, public information activities were carried out about Electricity, Natural Gas, Petroleum and LPG sectors and other organization duties assigned by the President were fulfilled

Members of the press have been brought together with the President of the Authority according to the intensity of the agenda.

News texts about the activities of the Authority were created and the public was informed through media organizations and press statements were made when necessary. Board Decisions about the consumer rights and which need to be informed to the public, have been turned into news and public information has been publicized through the media channels.

Organizations were made for meetings in which the associations active in the energy sector, President of EMRA, Board Members and staff of the related service units participated.

In the beginning of 2017, approximately 3,017 written press reports and 2,300 TV reports were published for EPDK. Three press releases have been published on behalf of the institution. President of EMRA participated in 17 programs accessible to press (conferences, meetings, live TV broadcasts) as speaker.

From The Expert Perspective Energy program, which was organized in cooperation with TRT News, continued to be broadcasted live one day a week throughout 2017 in order to better recognize the institutional identity of EMRA and to better educate consumers about their energy rights.



11. RELATIONS WITH OTHER INSTITUTIONS

11.1. Institutional Cooperations

Our Authority signed a cooperation protocol with the Competition Authority on 28.01.2015 for the purpose of establishing, developing and protecting a free and healthy competition environment in energy markets. This protocol aims to prevent conflicts of power between the EMRA and the Competition Authority, which are often overlapping and interlocking due to the liabilities granted by the Foundation Laws, by providing mutual cooperation, information transfer, opinion reporting and coordination. According to the protocol signed, the Electricity Working Group Meeting was held on 10/03/2017 and mutual information was shared and evaluated on the agenda within the scope of the said meeting.

11.2. Regulatory Approach Document

The work initiated in order to determine the principles to be taken as the basis for the management of the changes that may arise due to changing world and market conditions in the coming period with the experience and expertise that our Authority has and the expertise it has gained has been continued in interaction with the sectoral stakeholders and finally a document that will carry reference qualities in brief, Regulatory Approach Document is prepared. With the Board Decision No. 7120 dated 08/06/2017, the Regulatory Approach Document and Action Plan were adopted. The Action Plan prepared to ensure that the principles stipulated in the Regulatory Approach Document published in the website of the Authority and covering the scheduled concrete works has been started to be implemented.

11.3. e-State Integration Process

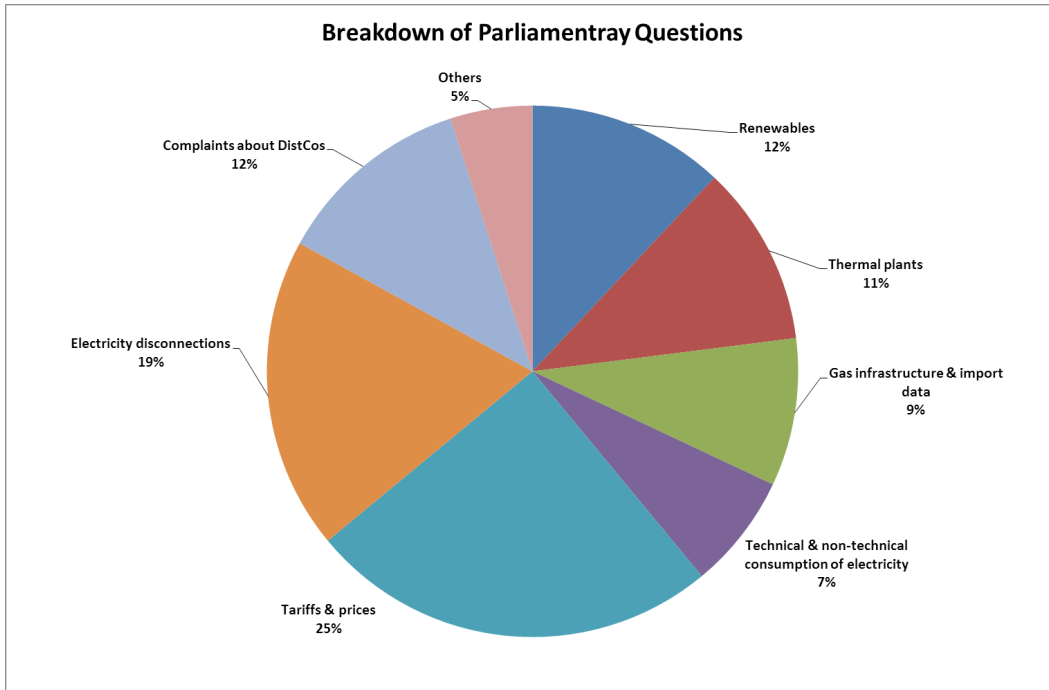
Within the agreed plan, studies on e-State integration of the Agency's activities are being continued. In this context, services of the Authority are defined in the Service Inventory Management System within the Electronic Public Management System (KAYSIS) established on the e-State Gate. The work for the primary integration of citizens applying for these services started in 2017.

11.4. Parliamentary Question Received via the Ministry

Answers to the request of 130 Parliamentary Questions from the Grand National Assembly of Turkey was created in 2017. The distribution of such questions is shown in Table 11.1

Table 11.1: Parliamentary Questions Received in 2017 by sectors

Content of the Parliamentary Question	Number
Electricity interruptions	24
Natural Gas Investments and Import data	12
Complaints about Distribution Companies	15
Tariffs costs and prices	33
Thermic power plants	14
Electricity loss-theft figures	9
Renewable Energy Resources	16
Other	7





12. EXTERNAL RELATIONS

The Authority conducts its external relations activities in five main axis:

1. Relations with the regional associations to which EMRA is a member.
2. Bilateral relations
3. The activities under the European Union harmonization process
4. Studies which are conducted in the areas of responsibility of EMRA within the processes where our country is a part of or in relation with.
5. Monitoring and reporting of the development in the international energy markets.

The activities carried out in the context of external relations have been continued on the basis of a “working and developing energy market and reliable regulation”. In this context, in the overseas events we participated emphasize was given to the introduction of our energy market as well as to the demonstration of our knowledge, expertise and experiences in energy and energy regulation.

12.1. Relations with the Regional Associations of which EMRA is a Member

The Authority is a member of the Energy Regulators Regional Association (ERRA) and the Association of Mediterranean Regulators for Electricity and Gas (MEDREG) and observer to the Energy Community Regulatory Board (ECRB). At the same time, EMRA is represented in the Steering Committee of ICER as the Chair of Gas and Other Fuels Working Group.

In ERRA, where our President has been a member of the Board of Directors, our duty in the ERRA Research Award Advisory Board and as the Vice Chairman of ERRA License and Competition Committee have been successfully carried out in 2017.

ERRA’s activities have been followed and directed as much as possible by the staff members of the Presidents’ Committee, the License / Competition Committee, the Tariff / Pricing Committee, the Customer and Retail Market Working Group.

The staff of EMRA attended the trainings organized by ERRA both as trainees and trainers. It has been seen that the staff of EMRA has shown a great success in the examinations held after the trainings.

The 16th of the Energy Investment and Regulatory Conference, the most important event of ERRA, was held in Astana, Kazakhstan on September 25-26, 2017, in which the institution was represented both as a panelist and as a participant. After the conference, the representative of EMRA was chosen as the most successful panelist among the participants.

EMRA is conducting the Vice-Presidency of MEDREG by the Head of the Strategy Development Department, the Chairmanship of the Natural Gas Working Group, Chairmanship of the Union for Mediterranean Energy Platforms Task Force, and the Vice-chairmanship of the Institutional Working Group. The works of MEDREG has been followed and directed as much as possible by the staff of EMRA assigned for the working groups.

The Mediterranean Energy Regulatory Outlook Report, which examines the regulatory capacities of the member countries, initiated by EMRA staff through the Institutional Working Group was approved and published by MEDREG General Assembly. We participated the peer-review activities initiated in the Electricity Market licensing procedures of Jordan’s EMRC, the agency responsible for energy regulation.

The studies and the activities of the Union For Mediterranean was followed in coordination with the Minis-

try of Energy and Natural Resources.

The coordination of the work initiated by ICER and the International Gas Association (IGU) in order to determine the Good Regulations and Applications Regarding Investment Safety of LNG Import Facilities has been carried out by the personnel of the Institution assigned as ICER Gas and Other Fuels Virtual Working Group Presidency and contribution was made through a case study. The work of the the Energy Community Regulatory Board (ECRB), where EMRA is an observer, was monitored through EMRA staff assigned for the ECRB working groups.

12.2. **Bilateral Relations**

A delegation from the Pakistan Regulatory Authority NEPRA and the Energy Company named Central Power Purchasing Agency (CPPA-G), the single buyer- seller of the and the Islamic Republic of Pakistan, made a visit to the Authority on January 17, 2017. The delegation was informed about the structure of the institution and its operation, as well as on Electricity Market and tariffs.

Within the scope of Turkey Smart Grid Vision 2023 and Strategy Identification Project (TAS Project), a technical site visit was organized under the leadership of Mehmet Ertürk, Deputy President of EMRA, participated by Electricity Distribution Companies and Electricity Distribution Services Association (ELDER) and other related parties. In this context, on September 17-23, 2017, smart grid applications in Electricity Market were investigated on-site at Spain's Madrid and Sweden's Stockholm cities, and talks with sector stakeholders were held.

Likewise, a similar technical visit was made to Chile to hold discussions with the Chilean Energy Regulatory Authority and the Chili Distribution Companies Association between October 20-28, 2017 as part of the Reference Distribution Company's R & D Project.

Having started working towards the privatization of Electricity energy industry, Sudan made a visit to EMRA on August 23, 2017 with a delegation formed at the level of the Undersecretary to benefit from the experiences of EMRA. During the visit, information was provided on the Sudanese delegation, our country's Electricity Market, tariffs and energy privatizations. A delegation of the Bulgarian Energy and Water Regulatory Commission (EWRC) visited the Agency on 25 October 2017 to improve co-operation. At the visit, the EWRC stated that they had signed a co-operation agreement with regulatory authorities in Romania and Greece to develop close co-operation with the countries of the region; Macedonia, Serbia and Montenegro. Presentations were made on the energy markets of the two countries and agreed on a cooperation agreement planned to be signed between the two institutions. The agreement is foreseen to be signed in 2018.

12.3. **Activities within the scope of alignment with the EU acquis**

The 14th Subcommittee on Transport, Environment, Energy and Trans-European Networks No. 6, which was established with the aim of following developments related to harmonization with the acquis in the EU accession process, was held in Ankara on 15-16 March 2017 hosted by the European Union Ministry. In the meeting presentations were made by the experts of the Institution on developments in Electricity and Natural Gas markets. As a conclusion of the meeting, it was stated that Turkey ensured harmonization with EU in terms of electricity and renewable energy legislation and implementations, whereas more effort is needed in terms of natural gas and nuclear energy.

125th meeting of the Association Committee established by Decision No. 3/64 of Turkey-EU Association Council was held in Brussels on November 28, 2017. Detailed information notes on the Electricity and Natural Gas market related to the energy heading on the agenda of the meeting were prepared and our experts participated in the preparatory meetings.



“Turkey Energy Sector Phase-1 Project” launched in March 2015 within the scope of IPA 2012 programming, of which Energy and Natural Resources is the main beneficiary was followed and contributed in by taking part in the Steering Committee. The closing meeting of the project was held on September 20, 2017.

Three Project proposals were developed within the scope of IPA II 2018-2020 years programming.

12.4. The Studies in the Areas Falling within the Organization’s Mandate in Which Our Country is a Part of it or Have Relations with

In the committees, working groups, task forces etc. under BSEC, OECD Economic Regulators Network (OECD-NER), IEA, World Trade Organization, Economic Cooperation Organization (ECO), EMRA staff is assigned in order to represent the Authority and the activities of the mentioned organizations are followed.

In the context of BSEC, “Roundtable Meeting of the BSEC Countries Energy Regulators”, which was proposed by the Authority in the period between January 1 and June 30, 2017, was held on 16 June 2017 at the Istanbul liaison office. The main topics of the regulatory framework that governs the energy sector and the key features of market design have been addressed at the meeting, the work of the BSEC Energy Working Group has been emphasized and the possible options for developing cooperation between the institutions responsible for energy regulation have been queried. Ultimately, it was agreed that a study should be conducted to establish a Forum between the energy regulators of the BSEC member countries. Work initiated within the Agency for this purpose continued in 2017 as well. The draft founding document of the Forum was created in December of this year and it is foreseen that in 2018 it will be submitted to the BSEC member countries energy regulatory authorities.

Coordinated work with the Ministry of Economy was continued within the scope of the TISA (Service Trade Agreement) studies, in which negotiations were carried out by a group of countries of the World Trade Organization (WTO). In addition, necessary notifications were made to the Ministry of Economy to contribute to the negotiations of free trade agreements, which are planned to be concluded with Montenegro and Japan.

Within the scope of Natural Gas and Electricity markets our country was subjected to an “Emergency Response Survey” by a delegation composed of representatives of the International Energy Agency (IEA) and the Agency Member Countries. Presentations were made by our experts at the sessions held on 11-12 December 2017 in the Ministry of Energy and Natural Resources on the topics of interest and duty of the Authority regarding the mentioned sectors. The periodically held meetings organized by the Agency (IEA), which take decisions concerning the member states’ stock obligation, are closely followed by the representatives of our Authority. Monitoring and Reporting of the Improvements in International Energy Markets.

In 2017, the publication of important news from abroad, which started in 2015, was continued in 2017. In 2017, 13 bulletins were prepared. When the news was compiled, care was taken to follow the idea. News compiled during the year are classified separately according to their topic.

13. HUMAN RESOURCES AND TRAINING ACTIVITIES

13.1. Staff of the Authority

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 Social Insurance and General Health Insurance No: 5434. In accordance with the Supplemnatry Clause 11 added to the Decree Law No. 375 by the Decree Law No:666 published in the Official Gazette dated 02.11.2011 and bis numbered 28103, staff of the Authority appointed on or after 01.15.2012 was subjected to the same wages and financial rights regime with thier equals employed in other public institutions.

Table 13.1: Information on staff assigned in 2017

TTILE OF CADRES	NO	EDUCATION					GENDER		ASSIGNMENT TYPE	
		SECONDARY EDUCATION	2 YEARS' UNIVERSITY	4 YEARS' UNIVERSITY	MASTERS	DOKTORATE	FEMALE	MEN	OUTSIDE	TRANSFER
Counsellor to the President	1				1			1		1
Assistant Energy Expert	15			15			3	12	10	5
Lawyer	2			2			2			2
Administrative Services Expert	3			2	1			3		3
Administrative Officer	4		2	2			3	1	2	2
TOTAL	25	-	2	21	2	-	8	17	12	13

Table 13.2: Information on the staff who left the Authority in 2017

TITLES of CADRES	No	EDUCATION					GENDER		REASON OF LEAVING				
		HIGHSCHOOL	2 YEARS UNIVERSITY	4 YEARS UNIVERSITY	MASTERS	DOKTORATE	FEMALE	MEN	RESIGNED	RETIRED	TRANSFERRED	EXPELLED	DEEMED RESIGNED
Department Head	2			1		1		2	1	1			
Counsellor to the President	3			2	1			3		1	2		
Group Head	2			2				2	1	1			
Manager of the Special Burau for the Board	1			1			1			1			
Energy Expert	8			7	1		1	7	2	2		3	1
Assistant Energy Expert	5			4	1		2	3	1		1	3	
Administratve Ser- vices Expert	6			6			1	5		4		2	
Administrative Officer	3			2	1		1	2	2		1		
Communication Officer	1			1			1			1			
Translator/Interp- retor	1			1			1		1				
TOTAL	32	-	-	27	4	1	8	24	8	11	4	8	1

The names and numbers of cadres in the Autjority and information on 474 staff as of the end of 2017.

Table 13.3: Breakdown of Cadres

TITLES OF CADRES	NO OF TOTAL CADRES	NO OF OCCUPIED CADRES	EDUCATIONAL BACKGROUND						GENDER		
			PRIMARY SCHOOL	SECONDARY SCHOOL	ASSOCIATE DEGREE	BACHELOR'S DEGREE	MASTERS	DOCTORATE	WOMEN	MEN	
Vice President	2	2				1	1				2
Head of Electricity Mar- ket Department	1	1				1					1
Head of Natural Gas Market Department	1	1				1					1

TITLES OF CADRES	NO OF TOTAL CADRES	NO OF OCCUPIED CADRES	EDUCATIONAL BACKGROUND						GENDER	
			PRIMARY SCHOOL	SECONDARY SCHOOL	ASSOCIATE DEGREE	BACHELOR'S DEGREE	MASTERS	DOCTORATE	WOMEN	MEN
Head of Petroleum Market Department	1	1				1				1
Head of LPG Market Department	1	1					1			1
Head of Tariffs Department	1	1				1				1
Head of Audit Department	1	1					1			1
Head of Expropriation Department	1	0								
Head of Legal Department	1	1				1			1	
Head of Strategy Development Department	1	1					1		1	
Head of Human Resources and Support Services Department	1	1				1				1
Advisor to the President	19	15				8	5	2	1	14
Group Head	67	54				33	17	4	9	45
Energy Expert	255	114				87	24	3	33	81
Assistant Energy Expert	131	82				81	1		32	50
Lawyer	25	23				20	3		23	
Press and Public Relations Counsellor	1	0								
Executive Assistant for the President	1	1			1					1
Manager for the Special Bureau for the Board	1	0								
Deputy Executive Assistant for the President	1	0								
Deputy Manager for the Special Bureau for the Board	1	0								
Liason Office Manager	1	1				1				1
Administrative Services Expert	93	65				49	16		34	31
Analyser	8	6				4	2			6
Programmer	6	4				3	1		2	2
Doctor	1	0								
Nurse	1	1			1				1	



TITLES OF CADRES	NO OF TOTAL CADRES	NO OF OCCUPIED CADRES	EDUCATIONAL BACKGROUND						GENDER	
			PRIMARY SCHOOL	SECONDARY SCHOOL	ASSOCIATE DEGREE	BACHELOR'S DEGREE	MASTERS	DOCTORATE	WOMEN	MEN
Defense Expert	1	0								
Mechanic	4	2		2						2
Technician	1	0								
Administrative Officer	76	64	1	9	9	41	4		33	31
Communication Officer	28	19		2	5	12			18	1
Librarian	1	1				1				1
Driver	10	9	1	4		4				9
Deliveryman	2	2			1	1			1	1
Interpreter-Translator	2	0								
Researcher	1	0								
TOTAL	750	474	2	17	17	352	77	9	189	285

The changes in the number of employees as per the years is shown in Table 13.4 hereunder.

Table 13.4: Number of Employees by years

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Employees	259	296	303	313	370	404	430	467	453	436	461	494	482	474

13.2. Training Activities

In this section, information about the training activities for the staff of the Authority and the information about the trainees are given. As it is clear from the tables on the following pages, the Authority allocates significant time and financial resources for training activities.

13.2.1. In-service Training Activities

Table 13.5: Time and Budget spent for training activities in 2017

Trainer Institution	Name of the training	No of participants	Duration of training (Day)	Training expense
TODAİE - Azerbaijan-Bakü	52.Public Diplomacy Training - KADEP	1	6	7.671,35 TL
TODAİE - Gaziantep Şanlıurfa	52. Public Diplomacy Training - KADEP	1	3	2.373,92 TL
Turkish Informatics Associationi (TBK)	Public BİB'19 (Public Informatics Platform) Productivity Meetings	3	6	5.697,12 TL
Public Oversight Authority	Accounting and Auditing Symposium	1	4	198,10 TL

Trainer Institution	Name of the training	No of participants	Duration of training (Day)	Training expense
UGETAM	Natural Gas and Energy Systems Training	29	8	93.940,41 TL
Turkish Informatics Association (TBK)	Improvement through informatics	1	6	2.398,75 TL
Sunkar Counselling	Scientific Research Methods	34	3	12.425,98 TL
TODAİE	Law No: 657 on Civil Servants	19	4	14.450,00 TL
TODAİE	Regulatory Impact Assessment	16	4	12.000,00 TL
Banking ve Trade Law Research Institute	Law of obligations	1	23	1.981,04 TL
Banking ve Trade Law Research Institute	Arbitration Law	1	23	1.981,04 TL
TODAİE	TODAİE Re-Organisation works		9 Ay	184.999,99 TL
TODAİE	Communication with external partners workshop	131	1	
TODAİE	Communication with internal partners workshop	103	1	26.496,60TL
Gazi University Continuing Education Application and Research Center Directorate	Photovoltaic Systems	1	1	2.376,00 TL
Ministry of Family and Social Policies	Alignment with work life	3	1	
Labor and Social Security Training and Research Center - ÇASGEM	Training of trainers	1	5	944,00 TL
Sunkar Counselling	Improving management capabilities	26	12	17.288,32 TL
Info Park	Installing and Configuring Windows Server 2012	7	22	6.500,00 TL
	Administering Windows Server 2012			6.500,00 TL
	Configuring Advanced Windows Server 2012 Services			6.500,00 TL
	Administering Microsoft Exchange Server 2016			2.100,00 TL
Sunkar Counselling	Accounting	27	5	7.239,48 TL
Public Procurement Authority	Public Procurement Practices	2	2	106,56 TL
Konya Karatay University	In-house visit	60	1	
Pınar Schools	First aid	42	4	12.642.08 TL



Trainer Institution	Name of the training	No of participants	Duration of training (Day)	Training expense
Selenay Tourism	Technical examination	26	8	53.300,00 TL
Sineset Film**	Online Training	17	19	49.979,59 TL
Energy Expert Nuray DEDE-OĞLU – Administrative Services Expert Erhan UZUNPINAR	Awareness on information security	711	3	
EMRA	Online application process for 13. Period Assistant Energy Experts started	1050	8	
EMRA	Interviews of 13.Period Assistant Energy Experts conducted	80	6	
EMRA	Online application process for 14. Period Assistant Energy Experts started	1349	6	
EMRA	Interviews of 14.Period Assistant Energy Expert conducted	132	10	

13.2.2. Other Training Activities

Each year, the Institution sends a certain number of staff to the short-term trainings aimed at increasing knowledge and etiquette and long-term trainings to carry out masters studies, taking into consideration the year of service and foreign language criteria in the framework of the relevant legislation. Furthermore, in order to ensure that developments in the world energy market can be monitored more closely, Authority’s personnel are encouraged to participate in trainings aimed at raising the level of foreign language knowledge. Information on the work done in this context is given in the tables below.

Table 13.6: Oversees Trainings in 2017

Category of the Training	Name of the Training	No of Participants	Period
ERRA	Balancing market and ancilliary services training	9	2 days
ERRA	Introduction to energy markets regulation	3	5 days
ERRA	Energy market regulation in developing countries	6	5 dyas
ERRA	ERRA training	3	7 days
Oversees internship of Assistant Energy Experts (0-3 months) University of Dundee	Oversees intershp training program	16	89 days

Table 13.7: Foreign Language Trainings in 2017

Training Institution	Name of the Training	Number of Participants	Price
French Culture Center	Freng Language Training	1	861,56 TL
American Examination Center	English Language Training	1	619,07 TL
Karaca Academy Language Course	English Language Training	1	983,58 TL
American Examination Center	English Language Training	1	495,26 TL
American Examination Center	English Language Training	1	990,52 TL
İDEA Language Courses	English Language Training	1	567,07 TL
American Examination Center	English Language Training	1	950,52 TL
TODAİE	English Language Training	1	371,45 TL
Akın Language Training Center i	English Language Training	1	356,59 TL

Undergraduates from different universities do internship in the authority.

Table 13.8: Information on the Interns in 2017

Name of the University	Number of Interns		
	Total	Compulsory Internship	Appreciation Training
Bozok University	1	1	
Gazi University	11	10	1
Bilkent University	13	11	2
Selçuk University	3	2	1
Kırıkkale University	3	2	1
Adnan Menderes University	1	1	
TOBB ETÜ	13	13	
Karadeniz Teknik University	2	2	
Ankara University	7	2	5
Hacettepe University	7	1	6
Çankaya University	3		3
Başkent University	3		3
Atılım University	2	1	1
Doğu Akdeniz University	1	1	
Kocaeli University	1	1	
TED University	2	2	
Sakarya University	1	1	
KTO Konya Karatay University	3		3
Hasan Kalyoncu University	2		2
METU	2		2
TOTAL		81	



14. FINANCIAL INFORMATION

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 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;

Table 14.1: Income Surplus Transferred to Ministry of Finance by years (TL)

Years	Quarterly Transferred Surplus	Transferred Surplus by Year End	Total
2001	0,00	22.306,00	22.306,00
2002	0,00	0,00	0,00
2003	0,00	17.992.437,17	17.992.437,17
2004	0,00	39.891.979,98	39.891.979,98
2005	0,00	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
2012	42.500.000,00	40.174.832,05	82.674.832,05
2013	51.370.000,00	46.559.157,90	97.929.157,90
2014	27.933.000,00	15.266.784,26	43.199.784,26
2015	47.480.000,00	15.928.305,88	63.408.305,88
2016	36.500.000,00	29.518.976,87	66.018.976,87
2017	18.896.300,00	34.157.312,38	53.053.612,38
Toplam	431.867.995,86	513.090.473,82	944.958.469,68

14.1. 2017 Budget Implementation Results

2017 budget of the Authority was accepted in the Turkish Grand National Assembly became effective as of 01.01.2017 upon publication in the Official Gazette dated 24.12.2016 and bis numbered 29928.

14.1.1. Income Budget

The budget income for 2011 was projected to be 241.536.000.- TL and 276.867.670,97.-TL income was obtained. The rate of realization of income budget was 114,63%. 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 fees.
- 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 the contribution fee rate determined by the Authority not exceeding 0,2‰ 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 total net sale.

The payers of the contribution fee in the LPG market are the real or legal persons holding petroleum market refining undertaking, LPG market distribution, LPG market auto gas vendorship 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.

On the other hand;

- 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
- 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.

The fees to be applied in 2017 regarding the abovementioned revenue items was determined by Board Decision.



14.1.2. Expenditure Budget

2017 expenditure budget of the Authority was projected to be 241.536.000- TL but 52.803.612,38 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 total expenditure budget increased to 306.983.443,90 TL . 276.867.670,97 TL of the total appropriation was spent and the remaining 30.115.772,93 TL was cancelled at the end of the year. Thus expenditure budget realization rate was 90,19 %.

In the following tables, the balance sheet of the Authority for the years 2015-2016-2017 and the comparative results of activities are shown.



ANNEXES

ENERGY MARKET REGULATORY AUTHORITY ACTIVITY RESULTS (TL)

(TL)

TYPE OF EXPENSE				31.12.2015	31.12.2016	31.12.2017
630	01		Staff Expenses	42.173.227,09	48.162.981,46	47.980.412,78
630	02		Social Security Institutions	4.459.352,95	5.143.183,83	5.255.587,67
630	03		Procurement of Goods and Services	83.223.009,21	91.405.944,68	105.178.197,13
630	03	02	Procurement of consumption goods equipment	1.953.623,61	1.714.383,14	2.279.574,71
630	03	03	Transportation allowances	1.233.999,00	865.321,61	978.799,22
630	03	04	Duty allowances	1.003.164,33	2.253.852,11	1.675.785,57
630	03	05	Procurement of service	78.637.793,29	86.128.539,33	97.359.091,66
630	03	06	Representation and publicity	90.420,68	63.470,43	117.674,63
630	03	07	Movable, intangible right procurement, repair and maintenance	304.008,30	380.378,06	2.767.271,34
630	03	08	Immovable goods maintenance and repair	0,00	0,00	0,00
630	03	09	Health care and funeral	0,00	0,00	0,00
630	04		Interest expenses	0,00	0,00	0,00
630	05		Current transfers	65.255.677,94	68.626.925,70	56.712.518,61
630	05	01	Duty losses	1.608.010,09	2.334.419,44	3.384.457,79
630	05	03	Transfers to on-profit organizations	220.272,34	246.232,44	241.395,00
630	05	06	Transfers to foreign countries	19.089,63	27.296,95	33.053,44
630	05	08	Shares allocated from the income	63.408.305,88	66.018.976,87	53.053.612,38
630	12		Expenses stemming from the rejection and return of the income	24.043.364,24	6.793.112,96	4.861.146,64
630	13		Depreciation expenses	2.188.044,69	16.101.332,49	2.862.657,19
TOTAL EXPENSES (A)				221.342.676,12	236.233.481,12	222.850.520,02

TYPE OF INCOME						31.12.2015	31.12.2016	31.12.2017
600	03				Enterprice and ownership	201.084.694,01	208.353.762,80	223.500.679,46
600	03	01			Sale of goods and services	160,00	50.290,00	51.085,00
600	03	02			Permission for use or operation of goods	201.084.534,01	208.303.472,80	223.449.594,46
600	03	02	01	10	Electricity market licensing	52.115.369,47	46.669.010,03	47.019.926,48
600	03	02	01	11	Natural gas market licensing and certification	48.275.893,12	49.626.538,87	46.434.957,19
600	03	02	01	12	Petroleum market licensing	80.693.672,84	93.923.166,62	104.953.460,18
600	03	02	01	13	LPG market licensing	19.999.598,58	18.084.757,28	25.041.250,61
600	05				Other	88.489.147,52	56.879.184,03	62.853.776,51
600	05	01			Interest revenues	5.090.102,61	3.610.474,31	5.053.822,18
600	05	01	09	03	Deposit rates	5.090.102,61	3.610.474,31	5.053.822,18
600	05	02			Fees collected from persons and institutions	15.863.523,91	29.652.113,34	34.558.808,21
600	05	02	09	99	Other fees (TEİAŞ)	15.863.523,91	29.652.113,34	34.558.808,21
600	05	09			Other revenues	67.535.521,00	23.616.596,38	23.241.146,12
600	05	09	01	99	Other various revenues not defined above	67.535.521,00	23.616.596,38	23.241.146,12
600	11				Revenues from changes in value and amount	0,00	0,00	0,00
TOTAL INCOME (B)						289.573.841,53	265.232.946,83	286.354.455,97
TYPES OF DISCOUNTS AND RETURNS						31.12.2015	31.12.2016	31.12.2017
610	03				Enterprice and ownership	1.012.248,06	802.121,57	1.038.755,66
610	03	2	1		Permission for use or operation of goods.	1.012.248,06	802.121,57	1.038.755,66
610	03	2	1	10	Electricity market licensing	372.327,25	304.287,77	205.005,57
610	03	2	1	11	Natural gas market licensing and certification	71.630,38	14.133,80	109.028,32
610	03	2	1	12	Petroleum market licensing	458.200,43	385.500,00	509.568,02
610	03	2	1	13	LPG market licensing	110.090,00	98.200,00	215.153,75
610	05	9	1	99	Other types of income	4.493.312,00	1.268.392,13	1.854.000,00
TOTAL DISCOUNTS AND RETURNS						5.505.560,06	2.070.513,70	2.892.755,66
NET INCOME (D)=(B - C)						284.068.281,47	263.162.433,13	283.461.700,31
RESULT OF ACTIVITY (D-A) (+/-)						62.725.605,35	26.928.952,01	60.611.180,29



ENERGY MARKET REGULATORY AUTHORITY BALANCE SHEET 2017

ASSETS				LIABILITIES (TL)			
	31.12.2015	31.12.2016	31.12.2017		31.12.2015	31.12.2016	31.12.2017
REVOLVING ASSETS	42.835.847,85	80.941.243,33	67.572.006,12	I-SHORT TERM LIABILITIES	37.738.400,40	48.914.843,87	54.261.325,20
10-READY ASSETS	37.653.701,67	76.308.739,92	61.985.820,48	32-ACTIVITY DEBTS	2.372.859,22	2.512.692,47	1.740.106,82
102-Bank Account	37.653.701,67	76.308.739,92	61.985.820,48	320-Budget Deposit Account	2.372.859,22	2.512.692,47	1.740.106,82
12-ACTIVITY RECEIVABLES	4.221.898,92	3.682.483,33	4.946.774,40	33-DEPOSIT FOREIGN ASSETS	17.930.937,76	15.275.344,86	16.558.348,63
120-Receiveables from income account.	4.195.000,09	3.655.584,50	4.946.774,40	330-Deposits and Guarantees Taken	87.990,26	596.487,24	1.947.111,24
126-Granted Deposits and Indemnities	26.898,83	26.898,83	0,00	333-Deposit Account	17.842.947,50	14.678.857,62	14.611.237,39
14-OTHER RECEIVABLES	937.799,90	930.530,16	596.678,66	36-OTHER LIABILITIES PAYABLE	17.434.603,42	31.126.806,54	35.962.869,75
140-Receiveables from persons account	937.799,90	930.530,16	596.678,66	360-Taxes and Funds Payable	1.506.297,54	1.607.829,67	1.805.557,37
15-STOCKS ACCOUNT	0,00	0,00	0,00	361-Social Security Deduc-tions Payable	0,00	0,00	0,00
150-Raw materials and supplies	0,00	0,00	0,00	363-Public Institutions Sha-res Account	15.928.305,88	29.518.976,87	34.157.312,38
16-EXTRA_BUDGETARY ADVANCES AND CREDITS ACCOUNT	0,00	0,00	2.180,00	II-LONG-TERM FOREIGN ASSETS	0,00	0,00	4.130.422,25
160-Business advance payment and credits account	0,00	0,00	2.180,00	47-PROVISIONS FOR LIABILITIES AND EXPENSES	0	0	4.130.422,25
162-Out ofbudget advance payment and credits account	0,00	0,00	0,00	472-Allowance for Retirement Pay	0	0	4.130.422,25
18-INCOME AND EXPENDITURE FORECASTS FOR NEXT MONTHS.	22.447,36	19.489,92	40.552,58	III-EQUITIES	160.847.447,45	187.776.399,46	244.257.157,50
181-Revenue Accruals Account	22.447,36	19.489,92	40.552,58	50-NET VALUE	0	0	-4.130.422,25
II-FIXED ASSETS	155.750.000,00	155.750.000,00	235.076.898,83	500-Net Value Account	0	0	-4.130.422,25
22-ACTIVITY RECEIVABLES	0	0	26.898,83	57 RECENT YEARS POSITIVE ACTIVITY RESULTS.	98.121.842,10	160.847.447,45	187.776.399,46
226-Deposits and Guarantees Given	0	0	26.898,83	570-Recent years positive activity results	98.121.842,10	160.847.447,45	187.776.399,46
25-TANGIBLE ASSETS	155.750.000,00	155.750.000,00	235.050.000,00	59-PERIOD ACTIVITY RESULTS	62.725.605,35	26.928.952,01	60.611.180,29
250-Land and Parcels Account	96.310.000,00	96.310.000,00	96.310.000,00	590-End of period positive active results account.	62.725.605,35	26.928.952,01	60.611.180,29
252-Buildings Account	0,00	14.915.698,80	14.915.698,80				
253-Facility, machine and equipment	286.482,65	285.458,65	301.694,31				
254-Vehicles Account	0,00	0,00	0,00				
255-Fixtures Account	12.798.145,16	13.512.187,97	14.888.996,96				
257-Accumulated Amortizations Account (-)	-13.084.627,81	-28.713.345,42	-30.106.390,07				
258-Invstments account	4.045.036,89	31.516.361,93	91.160.193,45				
259-Investments Advance Payments Account	55.394.963,11	27.923.638,07	47.579.806,55				
26-INTANGIBLE ASSETS	0,00	0,00	0,00				
260-Rights Account	4.365.913,14	4.400.553,83	4.996.917,57				
268-Accumulated Amortizations Account (-)	-4.365.913,14	-4.400.553,83	-4.996.917,57				
TOTAL ACTIVE	198.585.847,85	236.691.243,33	302.648.904,95	TOTAL LIABILITIES	198.585.847,85	236.691.243,33	302.648.904,95
OFF-BALANCE SHEET				OFF-BALANCE SHEET ACCOUNTS			
910-Guarantee Letters Account	3.985.793.975,85	3.719.316.081,69	2.729.452.451,27	911-Guarantee letters depo-sits account	3.985.793.975,85	3.719.316.081,69	2.729.452.451,27
998-Other off-balance sheet accounts	1.881.782.370,82	2.791.515.633,02	3.034.566.159,25	999-Other off-balance account	1.881.782.370,82	2.791.515.633,02	3.034.566.159,25
TOTAL OFF-BALANCE SHEET	5.867.576.346,67	6.510.831.714,71	5.764.018.610,52	TOTAL OFF-BALANCE SHEET ACCOUNT	5.867.576.346,67	6.510.831.714,71	5.764.018.610,52
TOTAL	6.066.162.194,52	6.747.522.958,04	6.066.667.515,47	TOTAL	6.066.162.194,52	6.747.522.958,04	6.066.667.515,47



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