PROPOSAL

BOTSWANA POWER CORPORATION (BPC) TARIFF APPLICATION FOR 2021/22 FINANCIAL YEAR

12TH JUNE 2020

BOTSWANA POWER CORPORATION

BOTSWANA POWER CORPORATION ELECTRICITY TARIFF ADJUSTMENT PROPOSAL FOR THE 2021/22 FINANCIAL YEAR

1. BACKGROUND

1.1. Botswana Power Corporation (BPC) was formed in 1970 by an Act of Parliament (Botswana Power Corporation's Act, CAP 74:01), and is responsible for the generation, transmission and distribution of electricity within Botswana to areas approved by the Ministry of Mineral Resources, Green Technology and Energy Security. It is regulated by the Botswana Energy Regulating Authority (BERA).

1.2. The Corporation is currently implementing its five-year transformation strategy, Masa 2020, whose objectives are to ensure that BPC becomes a financially self- sustaining entity that provides reliable and affordable access to electricity. The financial year 2020/21 is the last year of the strategy. The delivery of the Masa 2020 strategic objectives is underpinned by several initiatives which includes:

1.2.1. Move towards affordable and economic electricity tariffs to reduce disparity between average cost per unit and the electricity selling price. Hence Government awarded 22% tariff increase effective from 1st April 2020.

1.2.2. Improvement in Operational efficiency.

1.2.3. Reduction of tariff subsidy in line with the tariff increase.

1.2.4. Prioritization of distribution and transmission network maintenance.

1.2.5. Increase in internal generation capacity (Morupule A and Morupule B Plant Availability)

1.3. To strengthen Botswana's energy security, BPC undertook the refurbishment of Morupule A Power Station, which returned to commercial operation in the 2019/2020 financial year. A four-year plan to implement remediation of Morupule B Power Station is ongoing. The remediation works will enhance the efficiency and reliability of the power plant upon completion.

2. UNAUDITED FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2020

2.1. PROFITABILITY

2.1.1. The unaudited financial results for the year ended 31 March 2020 show a Total Comprehensive Loss of P1.456 billion against a budgeted profit of P551.415 million. These results reflect a negative variance of P2.008 billion, mainly due to negative variance of P251.363 million (7%) in Operating Income (excluding Government Subsidy) and the over expenditure of P1.567 billion (113%) in Direct Input Costs. The Financial items also recorded an overall loss of P838.454 million against a budgeted loss of P426.876 million.

2.2. OPERATING INCOME

2.2.1. The Corporation recorded an Operating Income (excluding Government subsidy) of P3.518 billion against a budgeted P3.769 billion. These resulted in a negative variance of P251.363 million (7%), mainly attributed to the budgeted 7% tariff increase which was not approved by Government.

2.3. OPERATING COSTS

2.3.1. Total Operating Costs were recorded at P4.736 billion against a budget of P3.391 billion, resulting in a negative variance of P1.345 billion (40%). This was mainly attributed to power imports at negative variance of P1.542 billion (231%) compared to the budget of P666.313 million due to 32% availability rate of Morupule Power Station. Generation Expenses of P746.547 million recorded over expenditure of P25.303 million (4%) compared to the budget of P721.245 million. This was due to the high use of diesel plants. However, Staff Costs were P80.636 million (12%) below budget of P666.435 million due to vacancies and the 10% unutilized provision for a bonus. Furthermore, Other Administration Expenses were P501.746 million compared to the budget of P640.323 million resulting in savings of P138.577 million (22%).

2.4. FINANCIAL ITEMS

2.4.1. The Financial Items recorded an overall loss of P838.454 million against a planned loss of P426.876 million showing a negative variance of P411.577 million (87%). The cross-currency swap instrument was way less efficient in mitigating against foreign exchange and interest rate risk. The cause of the dismal performance by this instrument is largely driven by a recent (in relation to 31 March 2020) substantial lowering of interest rates in the United States of America as part of their Quantitative Easing (QE) strategy for combatting the economic impacts of COVID-19.

3. FINANCIAL POSITION

3.1.1. The Corporation's Balance Sheet worth was reported at P23.025 billion as at 31 March 2020, which was P336.761 million (1%) lower than the budgeted P23.362 billion. The variance was mainly attributed to the delay in the completion of Northwest Transmission Grid project and Rural Electrification projects which were budgeted to be completed during the year.

3.1.2. The Accumulated Loss of P5.301 billion was recorded compared to the budgeted P3.388 billion. P3.844 billion was recorded in the same period in the past year. This increase is due to loss realized during the year.

3.1.3. The Shareholders' wealth represented by the total equity (Capital and Reserves) was recorded at P10.130 billion against a budgeted P12.201 billion. This shows as a decrease compared to P10.785 billion reported in 31 March 2019. The Irredeemable Capital increased by P802.002 million compared to the financial position as at 31 March 2019 due to the injection of equity for the Government funded projects.

4. FUTURE PLANS

4.1. Ongoing Major Projects

4.1.1. The Corporation is implementing the following major power projects aimed at enhancing security of supply and provision of access to electricity to the various sectors of the economy.

4.2. Morupule A Refurbishment Project:

4.2.1. The project entails refurbishment of the power plant after 27 years of operation at a total cost of BWP 2.3 billion to recover plant degradation with the objective of securing 132MW (Gross) generation capacity for a period of 15 years. However, a major overhaul of the plant will be required at midlife. All the 4 units have been taken over by BPC for commercial operation and have entered the warranty period.

4.3. **Morupule B Defects Remediation**

4.3.1. The Morupule B 600MW project which was to be completed in November 2012 did not meet its intended objective of providing 600MW (gross) firm generation capacity over a period of 30 years. The plant was taken over by BPC in June 2014 prior to the contractor meeting its contractual obligations in order to gain control of the power plant as the contractor was threatening to shut down the plant to force BPC to accept the works. The total cost of the project was P12 billion including cost of transmission infrastructure for power evacuation.

4.3.2. The Corporation engaged an Operation and Maintenance (O&M) contractor to operate the plant and train BPC staff to enable the takeover of its operation. The contract ended in June 2019 and the plant is now operated by BPC internal staff.

4.3.3. Following the takeover of the plant in June 2014, a comprehensive technical study (Gap Analysis) was conducted to determine the scope of measures to be undertaken by the contractor to remedy construction and equipment defects in order to deliver a fully compliant plant.

4.3.4. Subsequently, the Corporation signed a Defects Remediation Agreement with the contractor in August 2016 (1st Defects Remediation Agreement). This agreement was subsequently amended in June 2018 and the parties (BPC and the contractor) signed the second Defects Remediation Agreement, which allows the contractor to implement its preferred design of one of the critical boiler components.

4.3.5. The implementation of Remedial Works on the first unit (Unit 4) started on 19th June 2019 and was originally scheduled to be completed on 4th Sep 2020. However, the planned completion date of 4th September 2020 will not be met due to impact of corona virus outbreak on the project. The Contractor declared Force Majeure in February 2020 as he could not mobilise staff from China to site to execute the commissioning activities. The total impact on the timeline is not yet known. Commissioning activities will commence after lifting of lockdown and after mobilisation of staff from China to site. The Corporation is working closely with all relevant stakeholders to facilitate the travel arrangements of the staff to Botswana.

4.4. North West Transmission Grid Extension (Phase 1)

4.4.1. The North West Transmission Grid (NWTG) extension project will see extension of the country's high voltage transmission grid from Morupule in Palapye to Maun, Shakawe and Ghanzi via Orapa. The project will provide firm grid supply to the North West part of the country. In addition, it will reduce reliance on cross border supply from Namibia in Ghanzi and Shakawe. The NWTGC project at an estimated cost of P2.355 billion was initially scheduled to be commissioned end of December 2019. However due to covid-19 pandemic, the project is delayed until the end of October 2020.

4.5. Reinforcement of Bulk Supply Points in Gaborone & Environs

4.5.1. The Corporation is executing several projects aimed at reinforcing the transmission grid in the southern part of the country to cater for the increasing demand in Gaborone and its environs. The scope of the project covers construction and commissioning of transmission bulk supply points in Mochudi, Ramotswa, Tlokweng, Gaborone South and Gaphatshwa.

4.6. Distribution Network Reinforcement / Refurbishment

4.6.1. The reliability of the distribution network is currently below the desired standard due to several factors which include among others aged equipment, network overloads where demand exceeds installed network capacity and inadequate maintenance. In order to address prevailing challenges of frequent power cuts at distribution level notably in Gaborone and Francistown, the Corporation has embarked on a distribution network rehabilitation project which entails a phased reinforcement/refurbishment of the distribution network over the next three years.

4.7. **Villages Electrification**

4.7.1. In line with the Government objective to increase access to energy service and contribute to rural development, the Corporation is currently electrifying and extending networks to designated Villages across the country and the project is expected to be completed by August 2020.

4.7.2. The challenge which needs to be addressed is the low uptake of electricity in electrified Villages despite the subsidized connection fee of P5,000.00 under the National Electricity Standard Connection (NESC) scheme.

5. PLANNED PROJECTS

5.1. **Solar PV Development (New Energy Mix):** Renewable Energy Projects (2 x 50 MW Solar Power Plant Project)

5.2. BPC has concluded pre-qualification of bidders for the final procurement stage of the 2 X 50 MW Solar Photovoltaic Power Plants to be developed in Jwaneng and Selibe Phikwe. The Request For Proposal (RFP) was issued to prequalified bidders during the month of February 2020.

5.3. Table 2 indicates the Estimated Completion dates.

Table 2

Milestone	**Estimated Completion Date**
Release of RFP	4th February 2020
Bidder's Conference	6th July 2020
Deadline to submit Proposals	16th October 2020
Notification of Shortlisted Bidder(s)	18th December 2020
Selection of Successful Bidder	12th February 2021
Anticipated Commercial Operation Dates	12th August 2022

5.4. On the 26th November 2018, Botswana Power Corporation (BPC) issued a public tender inviting proposals from Independent Power Producers (IPP's) to submit bids for the development, financing, construction, operation and maintenance of 12 solar photovoltaic power projects ranging from a capacity of 1 to 4 MW under the Accelerated Green Energy Initiative.

5.5. Through this process, BPC has awarded the tender to one successful bidder for the development of a 1MWac Solar plant at Shakawe and 3Mwac Solar Plant at Bobonong.

5.6. To complete the project, BPC has re-issued the tender giving IPPs another opportunity to submit bids for the remaining ten (10) locations as there were no successful bidders. The tender is currently floating and runs from the 18th February 2020 and other project milestone dates are presented on the table 3 below.

Table 3

Milestone	**Estimated Completion Date**
Release of RFP	18th February 2020
Deadline to submit Proposals	31st July 2020
Selection of Successful Bidder	30th October 2020
Anticipated Commercial Operation Date	28th February 2022

6. ACHIEVEMENT OF MASA 2020 STRATEGY

6.1. As part of the implementation of the MASA 2020 Strategy, the Corporation is undertaking the following initiatives:

6.1.1. To improve the security and reliability of supply of electricity:

6.1.1.1 Minimisation of power import costs by securing lower priced electricity through actively trading in the Southern African Power Pool (SAPP) competitive electricity market.

6.1.1.2 The completion of 132MW Morupule A Power Station (MAPS) refurbishment is expected to increase reliance on internal energy sources to meet the local energy demand.

6.1.1.3 Morupule B Power Station (MBPS) major remedial works is ongoing to rectify the construction and equipment defects.

6.1.2. To be financially sustaining through:

6.1.2.1 Implementation of the Corporation's Business Improvement Plan.

6.1.2.2 To improve liquidity, the Corporation has implemented effective debt collection strategies through revision of organizational structure and its credit control policy. In addition, the Corporation is intensifying efforts to mitigate against possible revenue losses through illegal connections and other fraudulent activities. These efforts are likely to be adversely impacted by business shutdown due to COVID-19.

6.1.2.3 The Corporation continues to exercise restraint on discretionary costs and undertakes periodic reviews of high impact cost drivers to devise cost reduction measures.

6.1.3. The initiatives for improvement of efficiency in operations are as follows:

a. Development of the next phase of the BPC strategy which will make the corporation to compete favourably with Independent Power Producers (IPP's) of the future.

b. Planned tapping into the renewable energy space.

c. Conversion of Orapa Power Plant from diesel to use cheaper gas fuel.

d. Optimisation of key business processes in order to improve service delivery.

e. Implementation of the Revenue Protection initiatives to reduce non-technical losses due to revenue leakages through illegal connections and other fraudulent activities.

f. Outsourcing of transmission and distribution maintenance works to citizen-owned companies to clear outstanding backlogs.

g. Outsourcing of meter installation and inspection works to citizen-owned companies to improve service delivery.

h. Disposal of non-core assets to reduce high overhead costs.

i. Review of major contracts. The coal contract was re-negotiated in 2017/18 to reduce the financial burden of possible coal off-take penalties depending on the actual performance of both MBPS and MAPS. The coal capital charge for Morupule B fell off in June 2019.

j. Implementation of culture change initiatives to inculcate a high performance and customer centric culture across the organisation.

k. Implementation of new Tender Regulations to improve the procurement process.

l. Deployment of ICT systems to improve maintenance in generation, transmission and distribution assets.

m. Development of a smart grid system to include SCADA (Supervisory Control and Data Acquisition system), GIS (Geographic Information System), Metering and Telecommunications systems.

n. Prioritisation of internal capex on non-critical areas.

6.1.4. To enhance customer experience by adhering to standards set for service delivery through undertaking process re-engineering and dedicating resources to enhance reliability of supply of electricity. In the year 2019/20, the internal capital expenditure was planned at P693.790 million which is almost the same as P695.881 million in the year 2020/21. However, the internal capital expenditure for 2021/22 will increase by P116.998 million to be P812.878 million. The sustainable return of the Corporation to profitability will allow it the latitude to continue with its intense capital expenditure programme in 2021/22 with focus on distribution projects and other initiatives. However, this planned investment is likely to be derailed by the impact of COVID-19 due to suppressed sales revenue in the year 2020/21. During the loss-making years, BPC was constrained to make substantial investment on its distribution network. This had significantly compromised the reliability of electricity supply to consumers.

7. SALES INFORMATION

7.1. The information requested for under sales revenue and tariffs has been fully incorporated under ***annexure 7*** (sales).

7.2. The electricity tariff structure is designed to cater for various customer categories electricity usage profiles and the cost imposed on the power system. For the Medium Business and Large Business, the tariff has three (3) components namely **Fixed Charge**, **Energy Charge** and **Maximum Demand (MD) Charge**.

7.3. The rationale for **MD Charge** levied is that customers individually impose a significant burden on the power system hence the need for the power utility to recover capacity related investment costs. The current electricity tariffs, approved by Government, stipulates that the MD charge payable by Medium and Large Business be computed as follows:

"***Charge payable shall be calculated from the actual demand supplied or from 80% of the peak demand recorded in the preceding 12 months, whichever is greater"***

7.4. The implication of the MD charge to customers is that should a customer reduce peak demand in each month, the customer's charge will be based on historic maximum demand in the previous 12 months. However, several businesses were compelled to stop operations during the lockdown effected by Government to manage the COVID-19 pandemic. Therefore, the electricity demand of several customers plummeted as a result of significantly scaled down usage. The impact of this on medium and large business is that these customers will be charged a MD charge based on 80% of the Maximum Demand in the previous 12 months (1st April 2019 – 31st March 2020) assuming scaled down operations were in April 2020. Considering the prevailing situation, it is not considered appropriate to have customers apply for temporary disconnections and downgrades to evade MD charges. In addition, The Corporation is receiving increasing requests from individual customers requesting relief on electricity bills on MD charges. The factors being considered includes involuntary incapacitation, increased customer defaults and revenue recognition.

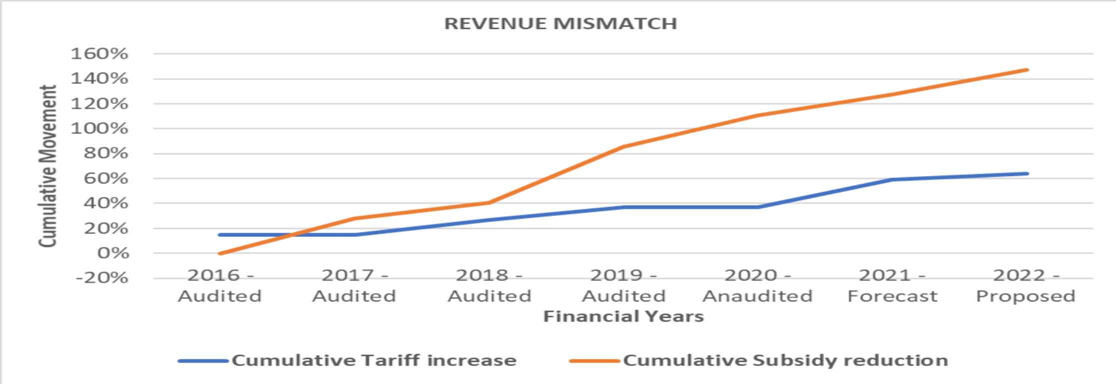
7.5. Therefore, the Corporation through its governance structures is considering a proposal to waive the MD charges to cushion deserving medium and large business under distress due to the country lockdown occasioned by the COVID 19 pandemic. Upon approval, the proposal to waive computation of maximum demand charge based on historic demand for distressed customers would reduce the Corporation's revenue by P98.4 million over the period of 4 months (April – July) 2020. This change would have impact on the projected revenues for the year 2020/21.

8. REASONS FOR TARIFF INCREASE

8.1. In terms of Section 17 of the Botswana Power Corporation Act [CAP 74:01], the Corporation is required to conduct its affairs on sound commercial lines and to produce a net operating income by which a reasonable return can be measured. This is achievable through gradual migration of electricity tariffs to a cost reflective status on yearly basis. This is also supported by the Government draft National Energy Policy whilst ensuring affordable and appropriately priced energy for local consumption.

8.2. For the years (2007/08 to 2016/17), the Corporation incurred operating losses (Year 2007/08 - P 85 million and Year 2016/17 - P1.370 billion). In that period, consumer tariff subsidy to BPC increased from P454.00 million in the year 2010/11 to P2.321 billion in the year 2015/16 to ensure the Corporation's ability to continue as a going concern. BPC was also constrained to dedicate financial resources towards its capital expenditure plans due to its strained cash position on account of its recurring losses. Only during the year ended 31 March 2018 and 31 March 2019, BPC made an operating profit of P1.158 billion and P727.979 million respectively (inclusive of Government's Consumer Tariff Subsidy of P1.457 billion and P800.00 million respectively). Without the Tariff Subsidy, an Operating Loss of P299 million and P72 million would have been realized over the same years. The Corporation requires a healthy liquidity position to undertake overdue refurbishment of its transmission and distribution infrastructure.

Graph 1 Showing Cumulative Revenue Mismatch



- BPC's precarious financial position commenced as far back as 2009 mainly due to non-cost reflective tariffs and continues to accumulate losses due to low availability of Morupule B Power Station and increasing cost of imported power. Government continues to subsidise the Corporation in order to cushion the impact of non-cost reflective tariffs, but as can be seen above this subsidy has reduced significantly over the last 5 years. The cumulative tariff increase is lower than the cumulative subsidy reduction which is indicative of the revenue mismatch. The award of the 22% tariff increase and the proposed 5% tariff increase in 2020/21 and 2021/22 respectively contributes to the reduction of the under-recovery gap between the Total Cost of Electricity Supply and the Total Sales Revenue.

8.3. Therefore, the tariff proposal for financial year ending 31 March 2021 is based on computations which consider achievement of MASA 2020 strategy and progressive reduction in consumer tariff subsidy as evidenced by the 22% tariff increase effective 1st April 2020. This increase nonetheless, will not yield an immediate increase in revenue till recovery of the economy from the COVID impact as the Corporation's revenue is a function of tariff and energy consumption.

8.4. The tariff computation indicates a 5% average tariff adjustment for the year ending 31 March 2022 and the envisaged tariff trajectory of 4% for both 2021/22 and year 2022/23.

FINANCIAL MODEL 2021-22

Key Assumptions

Revenue

For 2020/21 due to impact of Covid-19, revenue is projected to reduce by P323 million (8%) compared to the budget.

The 2021/22 revenue consumption is estimated to increase by 11% resulting in a net increase of 3% compared to the period before Covid-19.

Direct Input Costs

Morupule B availability rate is estimated at 31%.

Morupule A availability rate is estimated at 70%

Eskom to dispatch 150MW undertake and pay agreement.

100 MW Solar will dispatch for 5 hours per day and is assumed to be commissioned in 2nd quarter of 2022 at a tariff rate of 90 thebe (5% inflation over the years)

35 MW Solar (12grid) will dispatch for 5 hours per day and is assumed to be commissioned by the 1st quarter of 2022 at a tariff rate of 77 thebe (5% inflation over the years)

Administrative Costs

Administration expenses are escalated by 5% largely driven by inflation adjustment.

The Corporation is expected to achieve efficiency level of 10% after taking into consideration the 5% inflation adjustment.

From 2020/21 Operation and Maintenance will reduce as MAPS operation will be taken by internal staff.

Manpower Costs
Staff costs estimated to have an annual inflationary adjustment of 5%.

Headcount assumed to remain the same throughout the years.

BOTSWANA POWER CORPORATION
FIVE-YEAR FINANCIAL PLAN

(Pula millions)

	Audited 2016/17	Audited 2017/18	Audited 2018/19	Unaudited 2019/20	Forecast 2020/21	2021/22	2022/23	2023/24	2024/25
Tariff Increases	0%	12%	10%	0%	22%	5%	4%	4%	0%
Increase in energy consumption	5%	4%	0%	1%	-8%	11%	1%	1%	1%
Electricity Sales	**2,768.8**	**3,009.6**	**3,363.1**	**3,411.2**	**3,787.4**	**4,381.7**	**4,622.7**	**4,877.0**	**4,925.8**
Other income	**138.6**	**157.8**	**117.5**	**108.0**	**85.2**	**87.7**	**97.3**	**106.7**	**107.5**
SAPP Wheeling Revenue	8.9	5.9	8.7	10.6	8.5	8.9	9.4	9.8	10.3
Consumer Financed Project-Recovery	44.8	53.5	51.2	57.6	43.0	45.2	47.5	45.1	42.8
SAPP Electricity Sales	31.6	38.5	19.7	17.3	15.8	14.9	20.8	31.1	32.7
Other (Interest on schemes, late payment fees)	53.3	59.9	38.0	22.4	17.9	18.8	19.7	20.7	21.7
Consumer Tariff subsidy	**1,667.5**	**1,457.0**	**800.0**	**600.0**	**500.0**	**400.0**	**300.0**	**200.0**	**0.0**
Total Operating Income	**4,574.95**	**4,624.39**	**4,280.66**	**4,119.2**	**4,372.6**	**4,869.5**	**5,020.0**	**5,183.7**	**5,033.3**
Direct Input Costs	**2,435.4**	**1,491.9**	**1,746.3**	**2,968.2**	**2,461.6**	**2,270.6**	**2,219.7**	**2,182.9**	**2,071.2**
Power Purchases	1,514.4	719.9	861.4	2,208.3	1,692.9	1,474.4	1,409.8	1,315.7	1,106.2
Generation Fuel Costs - Morupule A	160.2	147.2	172.6	136.4	283.6	293.7	304.5	286.2	297.2
Generation Fuel Costs - Morupule B	649.1	557.1	661.1	503.3	395.0	416.1	420.7	507.7	590.6
Other Generation costs (Orapa, Matshelagabedi Plants)	111.7	67.8	10.3	106.8	75.9	71.5	69.2	57.1	60.0
Other Cost of Sales	0.0	0.0	41.0	13.4	14.1	14.8	15.5	16.3	17.1
Gross Profit/(loss)	**2,139.5**	**3,132.5**	**2,534.3**	**1,151.0**	**1,911.0**	**2,598.9**	**2,800.3**	**3,000.8**	**2,962.2**
Administrative Expenses (excluding depreciation)	**1,524.8**	**1,574.5**	**1,369.7**	**1,200.6**	**1,333.1**	**1,403.5**	**1,437.2**	**1,489.2**	**1,546.9**
Staff costs&other indirect staff costs	526.3	490.6	510.9	585.8	621.0	658.3	691.2	725.7	762.0
Generation Operations & Maintenance fees	481.9	454.7	381.1	113.1	128.3	100.0	86.6	88.4	90.2
Other Administrative Overheads	**518.6**	**630.2**	**477.7**	**501.7**	**583.8**	**645.3**	**659.4**	**675.1**	**694.7**
Other maintenance	143.9	196.5	167.0	238.1	302.7	373.9	392.6	412.3	432.9
Transport	12.8	12.1	16.3	30.0	27.1	24.4	22.0	19.8	17.8
Travel	10.2	9.4	11.5	17.2	12.3	9.8	8.8	8.0	7.2
Other administrative expenses	246.6	309.3	177.5	81.9	69.0	62.1	55.9	50.3	45.3
Insurance & Risk	43.7	29.9	34.7	63.5	78.3	82.3	86.4	90.7	95.2
Consultancy & SAP consultancy	18.6	19.5	9.8	8.3	25.3	20.2	18.2	16.4	14.7
Commission to prepaid vendors	42.9	53.5	60.9	62.6	69.1	72.6	75.5	77.8	81.7
Depreciation (inclusive of armotisation of deferred income)	**386.4**	**400.0**	**436.4**	**519.8**	**547.9**	**556.9**	**566.3**	**568.8**	**575.0**
Operating profit/(loss)	**228.3**	**1,157.9**	**728.2**	**(569.4)**	**29.9**	**638.4**	**796.9**	**942.8**	**840.3**
Financial items	(407.7)	(339.3)	(485.5)	(788.5)	(457.2)	(407.8)	(377.1)	(344.7)	(313.3)
Impairments/Provisions	0.0	0.0	0.0	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Total financial items/Provisions	**(407.7)**	**(339.3)**	**(485.5)**	**(838.5)**	**(507.2)**	**(457.8)**	**(427.1)**	**(394.7)**	**(363.3)**
Net Profit/(loss)	**(179)**		**243**	**(1,408)**	**(477)**	**181**	**370**	**548**	**477**

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Income tax (charge)/credit	**39**	**(144)**	**(41)**	**218**	**72**	**(27)**	**(55)**	**(82)**	**(72)**
Profit/(Loss) for the Year	**(140)**	**674**	**202**	**(1,189)**	**(406)**	**153**	**314**	**466**	**405**
Deferred tax on revaluation of Property Plant and Equipment		**(162)**	**(13)**	**0**	**0**	**0**	**0**	**0**	**0**
Gains on revaluation of Property Plant and Equipment	**0**	**1,096**	**87**	**0**	**0**	**0**	**0**	**0**	**0**
Total Comprehensive Profit/(Loss) for the year	**(140)**	**1,608**	**276**	**(1,189)**	**(406)**	**153**	**314**	**466**	**405**
Regulated Rate Base/Asset Base and Working Capital	19,553.80	20,311.84	20,665.52	23,549.99	23,320.29	23,049.81	23,153.82	23,343.98	23,685.38
Rate of Return/WACC	7%	7%	9%	9%	14%	14%	14%	14%	14%
Return On Assets	**1,368.77**	**1,421.83**	**1,805.47**	**2,057.47**	**3,320.67**	**3,282.15**	**3,296.96**	**3,324.04**	**3,372.65**
Taxes	(39)	144	41	(218)	(72)	27	55	82	72
Total Expenses	**4,346.6**	**3,466.5**	**3,552.4**	**4,688.6**	**4,342.6**	**4,231.1**	**4,223.1**	**4,241.0**	**4,193.0**
Revenue Requirement (without taxes)	**5,715.40**	**4,888.31**	**5,357.89**	**6,746.10**	**7,663.30**	**7,513.22**	**7,520.05**	**7,565.01**	**7,565.66**
Revenue Requirement (with taxes)	**5,676.29**	**5,032.72**	**5,398.44**	**6,527.62**	**7,591.71**	**7,540.31**	**7,575.52**	**7,647.22**	**7,637.21**