



Representation for Study Tour on General Regulatory Issues

February 21-22, 2005

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- Scope of EMRA's assignment
- Electricity Market
- Natural Gas Market
- Petroleum Market
- Others

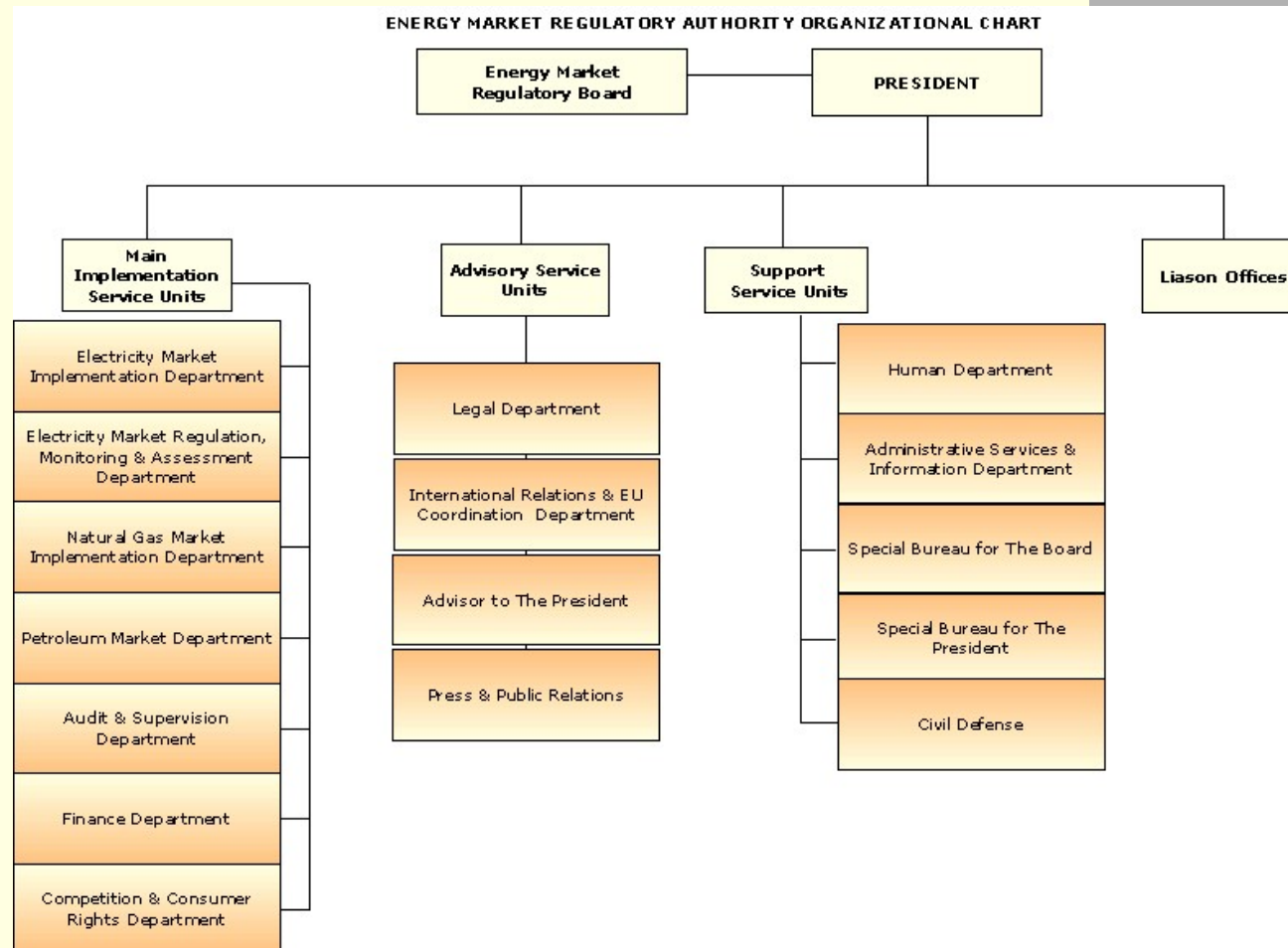
MILESTONES FOR EMRA

- Established by the Electricity Market Law on 3rd March of 2001 and charged to govern electricity market
- Natural Gas included to its portfolio by the Natural Gas Market Law on 2nd May of 2001
- Petroleum also included to its portfolio by the Petroleum Market Law on 20th December of 2001
- Number of Board Members increased from 7 to 9 by the Petroleum Market Law

BASIC FEATURES FOR EMRA

- Independency in terms of decision making and financial matters
- Board members mandated for six years and can not be discharged unless certain events occur
- Every two years two of board members' term ends and two new board members entrusted with

ORGANIZATIONAL CHART



DEPARTMENTS

- The Electricity Market Implementation Department
- The Electricity Market Regulatory, Monitoring and Assessment Department
- The Natural Gas Market Department
- The Petroleum Department
- The Supervision Department
- The Finance Department
- The Sectorial Competition and Consumers' Rights Department
- The Legal Affairs Department
- The Department for International Relations and Coordination With the European Union
- The Office of the Adviser to the President
- The Press and Public Relations Department

EMRA's ASSIGNMENT SCOPE

- As to electricity market
- As to natural gaz market
- As to petroleum market
- Others

ELECTRICITY MARKET

- To enforce the provisions of this Law
- To determine the reductions in limits relating to the definition of eligible consumer and to issue new limits until the last day of January every year
- To make the necessary arrangements to ensure reliable, quality, stable and low-cost electricity services to consumers
- To determine and enforce management information systems and financial reporting standards for all license holders
- To examine and approve tariffs
- To determine and enforce security standards and requirements for generation transmission and distribution activities
- To ensure the development and implementation of an infrastructure that allows for implementation of new trading mechanisms and sales channels depending on market development
- To develop model agreements where deemed necessary, in line with objectives of this Law
- To establish and enforce procedures and principles to protect against the unwarranted disclosure of commercially sensitive information

ELECTRICITY MARKET

- To oversee the activities and practices of legal entities operating in the market,
- To establish and enforce standards and rules for relations and conducts among affiliates in order to promote competition
- To determine the amounts to be paid to the Authority by the legal entities for license-related procedures and other transactions
- To impose administrative fines and revoke licenses
- To settle network connection disputes
- To prepare and submit the Ministry the annual report and other reports regarding the development of the market
- To monitor the market-related legislation and practices of international organizations and agencies and carry out such arrangements it deems necessary
- To prepare draft legislation and submit these to the Ministry where deemed necessary
- To take necessary measures for encouraging the utilization of renewable and domestic energy resources

NATURAL GAS MARKET

- To determine the opinion and suggestions of the Authority with regard to the plans, policies and applications regarding natural gas market activities.
- To ensure the performance of the duties of the Authority for execution of the rights and obligations arising from the international agreements regarding the natural gas market activities.
- To approve all regulations related to the natural gas market activities
- To take and implement all kinds of decisions regarding issue of licenses and certificates and termination of such licenses and certificates.
- To take decisions regarding the determination of pricing issues and the limitations and obligations

NATURAL GAS MARKET

- To regulate procedures and principles regarding the formation of tariff and price structures in natural gas market areas
- To approve the tariffs regarding the activities indicated in the Natural Gas Market Law or to decide on tariff revisions
- To decide on filing applications with any legal or administrative authority for purposes including litigation and enforcement of any penalty or sanction as part of the Board's authority to supervise, carry out preliminary investigations and inquiries
- To settle the disputes among legal entities or between legal entities and consumers arising from the implementation of Natural Gas Market Law

PETROLEUM MARKET

- To implement the provisions of Petroleum Market Law, to issue and implement any regulation regarding market activities,
- To state the Authority's views and comments regarding the plans, policies and implementation of petroleum activities,
- To carry out audits, preliminary inquiries and investigations, to impose penalties and sanctions, decide on the filing of application into any legal or administrative organ including the filing of lawsuits,
- To monitor the implementation of international organizations and institutions regarding the petroleum market,
- To determine the fees for licenses and actions for licenses in the petroleum market,
- To examine the audited financial tables of those carrying out activities in the petroleum market or to have them examined,
- To determine the scope of the reports regarding service reliability, service outages and other performance criteria to be required from those performing activities in the petroleum market,
- To impose administrative fines and cancel licenses

OTHERS

- To establish and implement the Authority's personnel policy including the appointment of personnel
- To decide on the issues concerning the purchase, sale and rental of movable and immovable equipment and services to the Authority
- To decide on all transactions regarding the receivables, rights and obligations of the Authority against third parties
- To approve the Authority's budget, annual business plan, income and expenditure final accounts, and annual report and other reports