

## Turkey Amends Calculations for Electricity Distribution System Revenues

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Turkey's Energy Market Regulatory Authority has amended procedures and principles for determining electricity distribution system revenues. Changes apply to categorization of certain factors when calculating revenues, determining distribution system fees, as well as target loss rates.

The Communiqué on Amendment of the Communiqué on Distribution System Revenues ("**Amendment Communiqué**") was published in Official Gazette number 29939 on 5 January 2017, entering into effect on the same date.

Notable changes introduced by the Amendment Communiqué include:

- The cost components used as basis for calculating distribution system fees have been expanded and are outlined in detail. The following items are now included as cost components for using electricity distribution systems:
  - Investments to carry out distribution activities.
  - System operation costs.
  - Technical and non-technical loss costs.
  - Power-off and power on costs.
  - Meter reading costs.
  - Reactive energy costs.
- The definition of "loss energy" has been expanded to include both technical and non-technical losses. Both technical and non-technical losses are clearly stated as being included for the purpose of determining target loss rates.
- The costs of technical and non-technical losses which do not exceed target loss rates determined by the Energy Markets Regulatory Board will be added onto distribution tariffs and reflected to electricity consumers.
- Asset sales revenues which are considered when calculating net investment expenditures have been amended. For sales of scrap asset to be considered sales revenue, these must be scrap assets which resulted from distribution activities and/or sub-activities.

Please see this [link](#) for the full text of the Communiqué (only available in Turkish).

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