



***TURKISH ELECTRICITY TRADING
&
CONTRACTING CO. INC.***

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Head of Department**



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SECTION 1

STRUCTURE & PORTFOLIO OF TETAS



STRUCTURE & PORTFOLIO OF TETAŞ



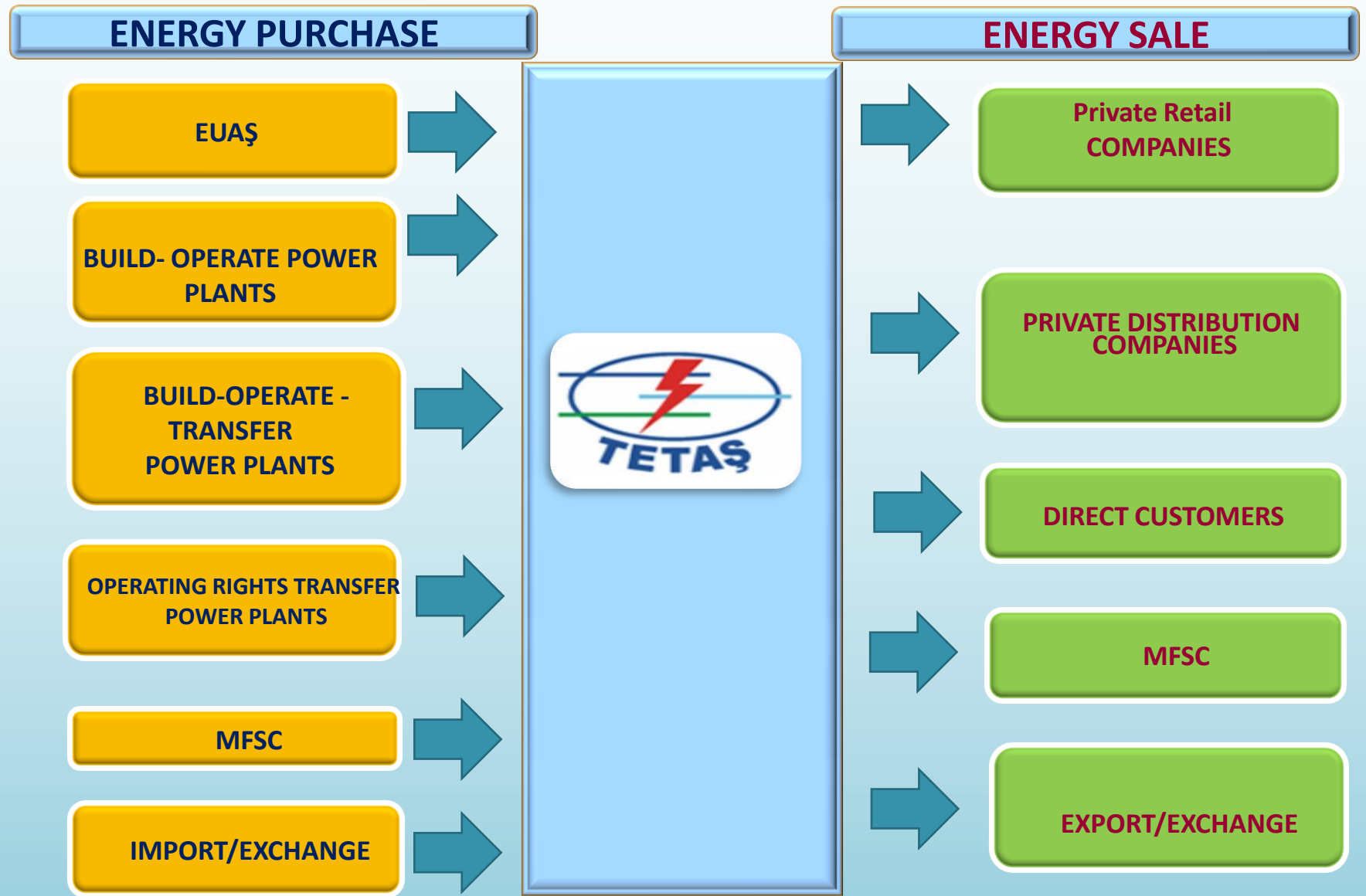
By the Law TETAŞ was established for the purpose of transition to free market economy and ensuring a liberal competitive environment

TETAŞ is ;

- ❖ a state owned enterprise
- ❖ wholesale trading and commitment activities
- ❖ a related company of MENR



Energy Purchase and Selling Portfolio of TETAŞ





SECTION 2

NUCLEAR ENERGY ACTIVITIES



NUCLEAR ENERGY ACTIVITIES



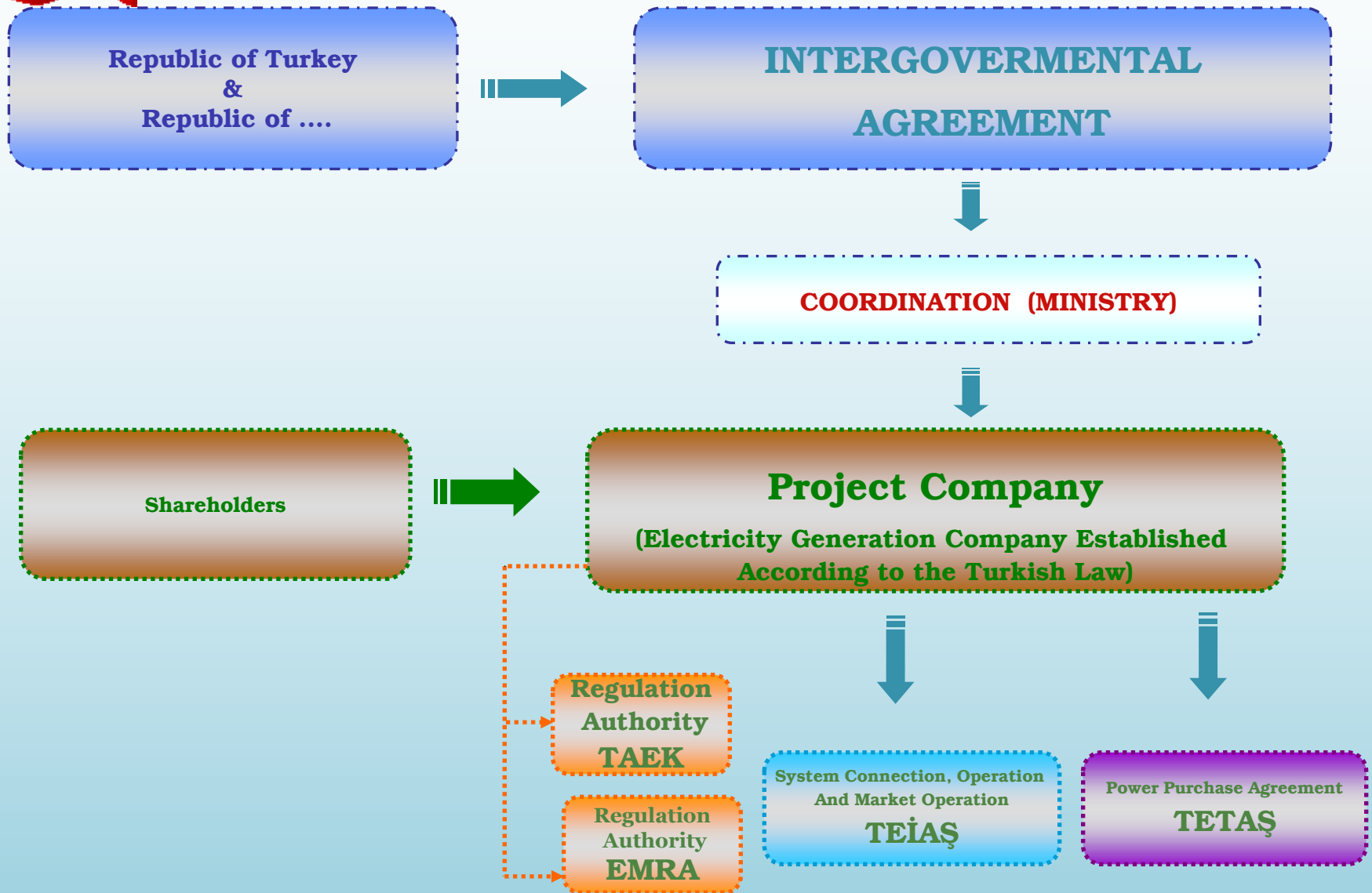
In conformity with the “constant development” policy of Turkish Government in energy sector, two separate nuclear power plant projects are conducted by our Ministry and the other related public authorities.

These are:

- Akkuyu Nuclear Power Plant
- Sinop Nuclear Power Plant



Structure of Nuclear Power Plant Projects





Responsibility of TETAŞ in Akkuyu NPP Project



- ✓ The task of purchasing the fixed amount – 70 (seventy) per cent for Unit 1 and Unit 2 and 30 (thirty) per cent for Unit 3 and Unit 4 - as stipulated in the PPA of the electricity during 15 years which is planned to be generated in the 4.800 MW Nuclear Power Plant is given to our Corporation by this Agreement;
- ✓ Within 30 days after issuance of Energy Market Regulatory Authority license for electricity production for the Project Company, PPA will be signed between TETAŞ and Akkuyu Project Company.



SECTION 3

STRUCTURE OF UNIT PRICE UNDER IGA



Planning Of The Unit Price In Accordance With The IGA



The PPA shall be based primarily on IGA. Because of this reason the price of the electricity which will be purchased by TETAŞ under PPA shall be determined in consistent with the following provisions of the IGA:

The Unit Price shall consist of 4 components:

- Fuel Cost
- Investment Cost
- Fix Operation Cost
- Variable Operation Cost

No escalation shall be applied to the unit price components. Parties in no way shall demand increase or decrease in unit price except changes in costs as a result of changes in Turkish laws and regulations.



Planning Of The Unit Price In Accordance With The IGA



In order to optimize unit price and make the project profitable, IGA included the following details:

- ✓ all capital expenditure incurred by the Project Company in connection with bringing the Units of the Project into commercial operation is returned.
- ✓ all operational expenditure and costs in respect of modernization NPP, incurred or to be incurred in connection with the Project during the term of the PPA is funded.
- ✓ the scheduled debt service payable in relation to any debt financing obtained to wholly or partially fund bringing Units of the Project into commercial operation is funded.
- ✓ the investments made by the direct and indirect investors in the Project Company in connection with bringing Units of the Project into commercial operation are repaid on a straight-line basis within 15 (fifteen) years of the entry into commercial operation of that Unit.