

**Decision of the Competition Council**

**DECISION No. 49**

**Of 21.03.2005**

**concerning the notification of the Ministry Administration and Internal Affairs regarding the financial support for SC ENET SA Focsani**

**THE COMPETITION COUNCIL,**

Based on the provisions of the Decree no. 57/2004 for the appointment of the Competition Council members,

Based on the provisions of Competition Law no. 21/1996, published in Official Journal of Romania, Part I, no. 88 on 30 April 1996, amended and completed by Emergency Government Ordinance no. 121/2003 approved by the Law no. 184/2004;

Based on the provisions of Law no. 143/1999 on state aid published in the Official Journal of Romania, Part I, no. 370 on 3<sup>rd</sup> August 1999, amended and completed by Law no. 603/2003 and by Government Ordinance no. 94/2004 on regulating some financial measures,

Taking into account the provisions of European Agreement establishing an association between Romania, and European Communities on one side and the Member States of those, on the other side, approved by Law no. 20/1993, published in Official Journal of Romania, Part I, no. 73 on 12 April 1993;

Taking into account the provisions of the Regulation on state aid in the form of compensations granted to certain undertakings entrusted with services of general economic interest.

**On the following grounds,**

## **1. PROCEDURE**

- (1) By the note 170368/26.11.2004, registered at the Competition Council with the no. RS-AS 97/30.11.2004, the Ministry Administration and Internal Affairs notified to the Competition Council under Art. 6 of *Law 143/1999 on state aid, with subsequent amendments and completions*, the financial support for ENET SA Focsani.
- (2) The notification became effective on the date the information were complete, namely on 12.01.2005.

## **2. DESCRIPTION OF THE FINANCIAL SUPPORT**

### **2.1. The beneficiary of state support measure**

- (3) The beneficiary of the notified state measure of support is S.C. ENET S.A. Focsani.
- (4) The company was set up under the Romanian law, as local interest undertaking, based on the Focsani Local Council Decision no. 77/30.06.1995, amended by Local Council Decision no. 12/30.01.1996, as a result of transfer in the administration of the Local Council of Focsani City of the heating-power station (CET) Focsani.
- (5) The registered capital of the S.C. ENET S.A. Focsani is ROL 33,562,000 thousand, owned in totality by the Local Council of Focsani City and divided into 1,342,480 shares with a face value of 25 thousand ROL/share.
- (6) The company is headquartered in Focsani and registered at the Trade Registry under no. J39/93/1996; its unique registration code is R8123890.
- (7) According to the company's establishing act, SC ENET S.A. Focsani's purpose is the performance, with the meeting of the Romanian law, of services for accomplishing its activity purpose. By licenses granted by the National Agency of Regulation in the Energy Field (hereinafter called ANRE) the company is entrusted with the performance of public services of production, transport, delivery and supply of thermal energy and electricity production for the population, institutions and undertakings. According to art. 16 par. (1) of the Law on Electricity no. 318/2003, „the activities and services for which licenses are granted regard the public interest, except those designated solely for the own consumption of the holder of license or authorization.” These are services that cannot usually be performed by an undertaking, since the performing undertaking is imposed, by the license and by law, particular obligations related to the supply of these services.
- (8) SC ENET S.A. Focsani's obligations, as electricity and thermal energy producer, according to art. 30 in the Law of Electricity no. 318/2003 are the following :
- To insure the electricity supply, namely the thermal energy in co-generation and of the technological system services, with the fulfilment of the criteria imposed by the licenses, contract clauses and provisions in force;
  - To offer, under undiscriminatory conditions the whole available electrical power, as well as the technological system services;
  - To maintain a fuel stock at a sufficient level, or if the case may be, a sufficient water supply, for the obligations of continuous production and supply of thermal energy and electricity, as stipulated by the provisions in force;
  - To meet, from an operational point of view, the requests of the transport and system operator, and to establish, if the case may be, its own operational management.

(9) Taking into account the above-mentioned, the services of general economic interest entrusted to the company are:

- The production, transport, delivery and supply of thermal energy in form of hot water;
- The production of electricity.

(10) The service of thermal energy production represents 90 % of the company's total activity. The co-generation electricity, which is dedicated to the National Energetic System, is produced in small volumes, and is addressed to the market regulated by ANRE.

(11) The company delivers the following products:

1. thermal energy in the form of hot water for the preparation of warm water for domestic use, and for heating, which ensures consumption for the population, budget institutions (schools, hospitals, local public authorities) and undertakings;
2. process steam;
3. medium-voltage energy;
4. low-voltage energy.

(12) The supply of urban heating for the heating and preparation of consumption warm water is done through the urban heating production system of the Focsani city - a system entrusted to the company for management by the local City Council of Focsani, through concession contract.

(13) To carry on its activity, S.C. ENET FOCSANI S.A. owns the following equipment and installations:

- **The production of thermal energy:**

This is achieved through the use of the following equipment:

- for the hot water: boilers of various types and sizes. The raw water is de-hardened or de-mineralized for the production of hot water, and for steam going to three processing units, and the resulting chemical parameters are verified in the chemical laboratory.
- for the process steam: boilers of various types and sizes;

- **For the transport of thermal energy:**

A heating network is operated and maintained to covers the distance from the heating-plant until neighbourhood heating-units and the consumer undertakings, as below:

- the transport of hot water is done through four paths, of which three are for domestic consumption, and one for the industrial area, and has a total length of around 40 km.
- the transport of steam to the undertakings is done through four paths toward third receivers, and has a total length of around 10 km;

- **For the distribution of thermal energy:**

This service is achieved through 53 heating units and related secondary networks, on a total distance of 100.33 km onto three paths.

(14) S.C. ENET S.A. FOCSANI has the following production capacities for heating energy:

- 3,311,061 MWH/year, for CAF, and 325 Gcal/hour;
- 3,753,215 MWH/year, for CAF+ boilers, and 368.4 Gcal/hour;
- 5,049,113 MWH/year, for CAF + boilers + steam, and 495.6 Gcal/hour.

Almost all capacities function since 1980-1983 and thus many of the installations required recently significant investments in order to ensure the safety of their operation.

## 2.2. The market

(15) The market affected by the financial support assessed by the present decision is the market in services for the production, distribution, transport and supply of thermal energy, in form of hot water, also called energetic services of local interest. These services operate in a centralized system and are coordinated and controlled by the public local administrative authorities, by virtue of the local autonomy principle. The relevant geographical market is represented only by the area of Focsani city, therefore it is a market of local interest. From the point of prices and tariffs, it is a regulated market due to the fact that the company sells the produced thermal energy at prices set by ANRE both for household consumers and undertakings, being obliged to ensure supply of thermal power to all consumers connected to the network, without discrimination. Also, all networked consumers are captive consumers because they do not have the possibility to choose their own supplier of thermal energy.

(16) S.C. ENET S.A. Focsani is the sole producer and supplier of thermal energy in the area it services. From the total thermal energy produced by the company, 80% is sold to the population, and 20% to undertakings and budgetary institutions (schools, hospitals, local public authorities).

(17) The financial and economic results, based on the balance sheets of the last 3 years are presented in table no. 1.

Table no. 1 – *Financial and economic situation of the company in the period 2001-2003*

- thousand ROL -

Indexes	2001	2002	2003
Total turnover	218,357,032	301,016,121	369,033,101
Profit/loss	-52,595,579	-21,117,271	6,689,853

*Source: Notification form*

From the data presented in Table 1, we can conclude that, between 2001-2003, the financial results had an upward trend. However, although in 2003 the company makes a profit, this profit is rather small, less than 2% of the turnover, and it already includes the financial state support which was been granted to the company for discharging its public service obligation, further illustrated below (see par. 21).

(18) With regard to the negative financial result recorded in 2001, amounting at ROL 52,595,579 thousand, we mention that this was due to the 2001 takeover of the thermal energy distribution business from ‘Compania de Utilitati Publice’ (a ‘regie autonome’ subordinated to the Focsani Local Council). This take over was achieved through the Decision of the Focsani Local Council no. 150/28.08.2001, in order to ensure the integrity of the public service for the production and supply of thermal energy, and in order to increase the efficiency of the cash flow from final consumers to the producer. Thus, the economic and financial status of S.C. ENET S.A. Focsani was severely affected by taking over significant losses (ROL 48,000,000 thousand), negative equity (ROL 17,000,000 thousand), a debt/receivables deficit (ROL 70,000,000 thousand); this is one of the causes which led to the company’s incapacity to timely meet its obligations toward the natural gas supplier (the main fuel of the company), respectively S.C. Distrigaz S.A. - Sucursala Galati, thus accumulating significant delay penalties.

### 2.3. Ways of granting the state aid

(19) The financial support notified by the Ministry of Administration and Internal Affairs consists in the exemption from payment of penalties owed to SC DISTRIGAZ SA – Galati branch, amounting at ROL 131,207,575.57 thousand, calculated by 30.06. 2004.

(20) The payment facilities intended to be granted to the company are regulated by art. 6 paragraph (4) of the GEO 37/2004 regarding measures to reduce arrears in the economy, stipulating that „*Legal persons consumers of electric energy, thermal energy, water and natural gas, who pay entirely their bills representing current and past due obligations for their consumption of electric energy, thermal energy, water and natural gas by June 30th 2004, benefit from cancellation of penalties and delay penalties*”.

(21) According to the data presented in the notification, S.C. ENET S.A. Focsani has received additional state aids in the previous years, as below:

Table no. 2 – *State aids granted to the company between 2001- 2004*

- thousand ROL -

Type of state aid	2001	2002	2003	2004	Total
Budget allocations for investments	0	2,000,000	32,800,000	0	34,800,000
Subsidy for covering the difference between the national base price and the local delivery price for thermal energy	21,241,138	65,809,807	100,389,906	133,829,202	321,270,053
Exemption from of penalties for	0	107,677.21	0	0	107,677.21

late payment according to GEO 40/2002					
<b>TOTAL</b>	21,241,138	67,917,484.21	133,189,906	133,829,202	356,177,730.21

Source: Notification form

(22) We note that penalties and late payment penalties exempted on the basis of *Government Emergency Ordinance (GEO) no. 40/2002* are related to the company's budget obligations not paid in due time, as follows: penalties and delay penalties for late payment of VAT, penalties for late payment of debt to the unemployment fund.

(23) The total amount of state aid granted to S.C. ENET S.A. Focsani is ROL 487,385,305.78 thousand, from which ROL 131,207,575.57 thousand is state aid intended to be granted to the company which was notified by the Ministry of Administration and Internal Affairs (see § 19) and ROL 356,177,730.21 thousand is state aid received in the previous years (see §21).

#### 2.4. Costs arising from the operation of the services

(24) The public service of thermal energy production and supply in form of hot water towards the captive consumers, entrusted to the company, is regulated by ANRE. In order to perform the public service, the undertaking bears the costs on raw materials (fuels), materials, personnel, environmental, repair and investments, metering and other costs.

(25) S.C. ENET S.A.FOCSANI keeps an accountancy in which the company's activities are indicated separately. The activity of thermal energy production and supply in form of hot water for the captive consumers, representing the public service obligation, is indicated separately from the other activities performed by the company. The splitting of financial – book of account for the services of general economic interest is a condition imposed by the ANRE license, which is the base for these activities. The Company had in 2001 – 2004 the following economic and financial results from the discharge of the service of economic interest consisting in thermal energy production, transport, delivery and supply as hot water.

**Table no.3 Main economic and financial indicators of S.C. ENET S.A.FOCSANI related to the discharge of the public service for 2001-2004**

-ROL thousand-

Indexes	2001	2002	2003	2004
Revenues from discharging the public service of thermal energy production, transport, delivery and supply in form of hot water	175,526,148	256,324,078	317,717,659	269,467,261
Expenditures from	205,283,837	266,562,831	300,488,416	452,514,649

discharging the public service of thermal energy production, transport, delivery and supply in form of hot water				
Financial result from discharging the public service of thermal energy production, transport, delivery and supply in form of hot water	-29,757,689	-10,238,753	17,229,243	-183,047,388

*Source: Supplementary information*

One can note that during the entire period of reporting, the Company registers losses out of the discharge of the service of general economic interest of production, transport, distribution and supply of thermal energy in the form of hot water.

(26) The company has the obligation to submit to ANRE, at the end of each year, the documents proving the effective costs related to the public service performed that year and the quantities of thermal energy produced and sold each month. Starting from the initial data, the standard methodology is applied and the costs for the activity of production, transport, distribution and supply of thermal energy are determined. Thus, at the beginning of each financial year S.C. ENET S.A Focsani calculates its income and expenses budget. Similarly, the calculation of prices to be used in the future is submitted to ANRE for approval; ANRE establishes the national base price and the local delivery price.

#### **2.4.1 Investment costs**

(27) It is mentioned that the budget allocations received in 2002 and 2003 were used for those investments which were absolutely necessary for the operation under safe conditions of the public service of general economic interest, considering the aging and depreciation of the installations. According to the feasibility study of the project, „Rehabilitation and upgrading of the heating system in Focsani”, these investments were indispensable for the normal operation of the public service in distributing and supplying thermal energy, contributing to water and energy loss reduction on the thermal network.

(28) The investment objectives financed from budget allocations are:

- metering of thermal energy consumption of the population phase I-ROL 14,850,000 thousand;

- upgrading and rehabilitate the thermal system in PT 6 area Focsani thousand;	-ROL	4,465,000
- automation of six thermal units in Focsani thousand;	-ROL	3,962,000
- rehabilitation of thermal connector at PT 54 Focsani thousand;	-ROL	765,000
- upgrading components for rehabilitation of PT 17 and 43 thousand;	-ROL	3,977,000
- mounting of metering loops for thermal network, primary circuit thousand;	-ROL	1,032,000
- upgrading equipment PT components thousand;	-ROL	2,140,000
- purchase of thermal energy meters thousand;	-ROL	2,204,000
- thermal energy supply for block. I, Aleea Florilor thousand;	-ROL	810,000
- feasibility study to rehabilitate and upgrade heating system of Focsani thousand.	-ROL	595,000
<b>TOTAL thousand</b>	<b>ROL</b>	<b>34,800,000</b>

#### **2.4.2. Difference between national base price and local delivery price**

(29) The thermal energy market is a regulated market. On this market, there are two regulated prices, namely the national base price and local delivery price.

##### **2.4.2.1. The national base price**

(30) The national base price for thermal energy supplied to the population through centralized systems with the purpose of heating and preparing hot water was instituted by GEO no. 162/1999. It is the highest price that the population can pay for the thermal energy supplied through centralized heating systems.

(31) The national base price is set in order to achieve an equilibrium between the affordability degree of the population and the available subsidies of the state budget. Regarding the social dimension, this price is determined considering the share held by the cost of the thermal energy in the budget of an average income family.

(32) The level of the national base price for thermal energy is set in advance through Government decision, proposed by ANRE, as the average of the local prices of the producers using natural gas, plus the related distribution tariffs, taking into account the available subsidies of the state budget. The standard methodology of calculating this price is established through an order of ANRE. Among the factors influencing the modification of the national base price are the price of natural gas, the price of electric energy, consumer price index, the exchange rate (ROL/USD or ROL/EURO, as the case may be).

(33) The national base price for 2000-2004 was the following:

Table no. 4– *Evolution of the national base price of thermal energy*

	2000	2001	2002	2003	2004
The legal act establishing the national base price	Government Decision no. 756/31.08.2000	Government Decision no. 724/26.07.2001	-Government Decision no. 1303/27.12.2001; -Government Decision no. 340/04.04.2002 -Government Decision no. 686/03.07.2002	Government Decision no. 686/03.07.2002	Government Decision no. 1155/23.07.2004
National base price (ROL/GCAL)	350,000	550,000	575,000 600,000 800,000	800,000	896,000

Source: National legislation in force

The information presented in this table lead to the conclusion that the national base price is established ex-ante, periodically, by Government decisions.

#### **2.4.2.2. The local delivery price for the thermal energy**

(34) The local delivery price for the thermal energy in form of hot water is established by ANRE both for the population and undertakings.. The methodology of establishing the local delivery price is applied by ANRE to all producers of thermal energy in co-generation. Thus, the undertaking has the obligation to submit to ANRE, at the end of each fiscal year, documentation able to justify: effective costs related to the public service discharged, that particular year, and the quantities of thermal energy produced and sold each month of the year.

(35) From this input data, the standard methodology is applied to determine the costs for production, transport, distribution and supply of thermal energy. Prices are set separately for each activity/service, and the local delivery price results from the addition of the production price, the transport service tariff and the tariff for the distribution and supply service.

(36) Local delivery prices are set at the beginning of each year and adjusted at the beginning of each second half of the year.

The following stages are pursued:

- identification of regulated activities and services;
- identification of sources to produce thermal energy (separate sources and/or cogeneration);
- estimation of quantities delivered to final consumers based on the undertaking's previous year figures, taking into account the losses in the transport networks and of produced quantities, taking into account the own consumptions of the power plant;

- allocation of process fuel expenses;
- allocation of direct expenses, excluding fuel expenses, broken down by activities/services and producing sources;
- allocation of indirect, general and administration expenses by services, on a pro rata basis of the value of direct expenses, excluding fuel;
- determination of total expenses related to the production thermal energy in the form of hot water;
- determining unit costs;
- allocation by activities of the expenses related to own consumptions;
- allocation of financial expenses by regulated services;
- determining total expenses for the regulated services.

### 2.4.2.3. CONCLUSION

(37) The national base price was regulated primarily on social protection grounds. Thus, if the local price for producing and supplying thermal energy is higher than the national base price, the population pays only the latter.

(38) If the local price of the gigacalorie (GCAL) is higher than the national base price, according to the GEO no. 162/1999, the difference incurred by the supplier is subsidized as below:

a) by the state budget, up to the ceilings approved through the budget law, allocated for this purpose;

b) by the local budgets, for the part left uncovered through the state budget.

(39) During 2001-2004, the national base price (see Table no. 5) was lower than the local delivery price for the thermal energy settled for S.C. ENET S.A. FOCSANI. To cover this difference, the company benefits, according to G.E.D no. 162/1999, subsidies amounting at ROL 321,270,053 thousand (see paragraph 21).

Table no. 5 –*Evolution of the local delivery price, of the base price and of the subsidy granted in order to cover the difference between them, during 2001-2004.*

Period	Local delivery price to the population without VAT	Local delivery price to the population with VAT	Base price without VAT	Base price with VAT	Difference between base price and local delivery price without VAT	Difference between base price and the local delivery price with VAT	Legal grounds base price	Volume delivered to the population	Subsidy value
	ROL Gcal	ROL /Gcal	ROL/Gcal	ROL /Gcal	ROL/ Gcal	ROL /Gcal		Gcal	thousand ROL

1	2	3	4	5	6=4-2	7=3-5	8	9	10=7*9
total year 2001								89,882	21,241,138
total year 2002								288,141.6	65,809,807
total year 2003								280,024	100,389,906
total year 2004								238,260	133,829,202
<b>General total</b>								1,117,626.6	<b>321,270,053</b>

*Source: Notification form (please note that a detailed version of this table, displaying all values on a monthly basis, can be found in the Annex to this draft decision)*

#### 2.4.3. Costs in excess of the local delivery price

- (40) The analysis of the measures of support for S.C. ENET S.A. Focsani must consider that, for the services of production and supply of thermal energy, the company's costs are higher than the local price for supplying thermal energy as set by ANRE - this situation being shown in the company's accounting, where the costs are separately registered (see table 3).
- (41) The operating unit cost of the service was calculated on the basis of effective expenses incurred by the company each year of the analyzed period, and on the basis of the expenses for raw materials, materials, personnel, environment, repairs, investments, metering of the real production of thermal energy delivered on the given year.
- (42) However, in practice, the local delivery price established by A.N.R.E does not cover all costs given that the estimates of fuel price increase are not taken into consideration. Subsequent to the increase in fuel price during the year, A.N.R.E adjusts the energy price only when the increase exceeds 5%, and the adjustment refers strictly to fuel; however, it is common knowledge that, as a chain effect, the raw materials and materials prices also increase. This increase is considered only when the prices are reviewed, once a year. Thus, there is a gap (lag) all along the year between the energy operator's costs and the local delivery price.
- (43) The high operation costs of S.C. ENET S.A Focșani are due mainly to the following causes:
- technological fuel, raw materials and materials are purchased at prices comparable or even higher than those used at the international level. On the contrary, thermal energy is sold on the local market at a price agreed by A.N.R.E which is lower than the average price operated at the international level;
  - although all the company's installations are old, the price structure approved by ANRE does not comprise the development quota relative to technology upgrading . Thus, the

company makes investments, repairs and other upgrades for the energy system which it operates but these expenses are not always reflected in the local delivery price for thermal energy;

- the share of the technological fuel in the price structure is very high (over 70%), and changes to the fuel price (natural gas) were made on a quarterly basis, in a 5% quota/quarter, whereas A.N.R.E. approved only one price increase during the year.
- the population pays a national base price, approved by Government Decision and established mainly according to the purchasing power of the population, the difference between this and the production and distribution costs of thermal energy being subsidized. This subsidy hardly reaches the producer, because the Local Council budget which ensures a significant percentage of it (55%) does not have the cash flows required to pay in due time. In this way, the real value of the subsidies is strongly diminished by the inflation rate, meaning that a part of the real costs remains uncovered.

(44) In table no. 6 presented in the Annex to this draft decision, is shown the evolution of the local delivery price for thermal energy in the form of hot water and the real cost of production and supply for the period 2001-2004.

(45) As it may be noticed, during the analyzed period, most of the times, the operating cost for producing and supplying thermal in the form of hot water is higher than the local price of delivery set by ANRE, both for the population and for the undertakings as a result of the causes stipulated under paragraph (43).

(46) The differences between the local delivery price and the real cost of thermal energy production for hot water are shown in the table no. 7 .

Table no. 7 – *Evolution of the difference between the local delivery price and the cost of the thermal energy and of the losses caused by this difference for hot water*

PERIOD	Difference between the price settled by ANRE and cost		QUANTITY DELIVERED			LOSSES CAUSED BY FAILURE TO COVER THE COST
	POPULATION	UNDER-TAKINGS	TOTAL	Of which:		
				POPULATION	UNDER-TAKINGS	
	ROL/Gcal	ROL/Gcal	Gcal	Gcal	Gcal	Thousand ROL
1	2	3	4	5	6	7=2*5+3*6
TOTAL YEAR 2001			353,993.8	311,201	42,792.8	-29,757,688
TOTAL YEAR 2002			329,411.6	288,141.6	41,270	-10,238,754
TOTAL YEAR 2003			325,237	280,024	45,213	17,229,243
TOTAL YEAR			276,238	238,260	37,978	-183,047,388

2004						
GENERAL TOTAL		1,284,880.4	1,117,626.6	167,253.8	-205,814,587	

*Source: the notification form (please note that a detailed version of this table, displaying all values on a monthly basis, can be found in the annex to this decision)*

- (47) Consequently, the costs incurred in excess of the local delivery price resulted in a loss incurred by S.C. ENET S.A. Focsani of ROL 205,814,587 thousand.

### 3. ANALYSIS OF THE STATE MEASURE OF SUPPORT

#### 3.1. Object of the decision

- (48) On the basis of the notification to the Competition Council by the Ministry of Administration and Internal Affairs, the state aids mentioned in paragraph (23) represent the object of this decision, amounting at ROL 487,385,305.78 thousand. These state aids are analyzed in the context of discharging the public service of general economic interest by S.C. ENET S.A. Focsani.

#### 3.2. Obligation of service of general economic interest

- (49) The financial support granted to a company entrusted with a service of general economic interest is not considered state aid for the purposes of Art. 2 of Law 143/1999 on state aid with subsequent amendments and completions, if the following conditions are cumulatively met:

- a) the obligation to discharge a service of general economic interest is entrusted through a government/administrative act and is clearly defined;
- b) the parameters based on which the compensation is calculated must be established in advance, in an objective and transparent way, in order to avoid granting an economic advantage to the beneficiary;
- c) the compensation must not exceed the amount necessary to totally or partially cover the costs incurred through the service of general economic interest, taking in consideration the relevant incomes and a reasonable profit in performing these obligations;
- d) if the undertaking entrusted with the service of general economic interest was not selected through open public tender which would have allowed the selection of a bidder able to discharge this public service at the lowest costs, then the level of compensation must be set based on a comparative analysis of the company's costs and the costs of well-managed and profitable enterprise which meets all the conditions set for the performance of the particular public service, given the relevant incomes and a reasonable profit from the meeting of the service of general economic interest obligations.

#### 3.3. The condition from par. 3.2. a):

- (50) S.C. ENET S.A. Focsani is entrusted with the production, transport, distribution and supply of thermal energy for the population, institutions and undertakings, under the ANRE

licenses no. 19/2000, 20/2000, 21/2000 and 483/2002. The licenses provide, among others, obligations regarding: continuity in supplying thermal energy, ensuring access to heating networks for new customers, achieving performance standards. Also, by GEO no.162/1999, producers and suppliers of thermal energy have the obligation to sell thermal energy to the population at a fixed price which is usually lower than the costs incurred by the discharge of the service (national base price).

- (51) According to the *Law on town management no. 326/2001*, the supply of thermal energy produced in a centralized system is a public utility service.
- (52) According to Law no. 326/2001, public services must fulfill the following essential conditions:
  - a) Continuity both in quality and quantity, according to the conditions stipulated in the contract;
  - b) Adaptability to consumers' requests;
  - c) Equal access to the public service, in the conditions stipulated in the contract;
  - d) Ensuring the public health and life quality.
- (53) Organization, operation and functioning of public services must ensure:
  - a) Meeting the quantity and quality demands of the users, according to the contract provisions;
  - b) The optimal operation in safety, profitability and economic efficiency conditions of buildings, equipments, installations and all assets, according to the planned technological parameters and in compliance with the requested conditions, operation guidelines and organization and functioning regulations;
  - c) Protecting the public estate and environment by observing the legal provisions;
  - d) Informing and consultation the citizens with the purpose of protecting the health of the population benefiting from these services.
- (54) The obligations of the operators which are suppliers/providers of public services toward the consumer are mainly the following:
  - a) to serve all users in the area for which they were authorized/certified;
  - b) to comply with all the performance parameters settled by the local public authorities and the national regulatory authority, namely ANRE;
  - c) to supply the information requested by the local public administration and the national regulatory authority and to enable the access to the documentation of the respective utilities, according to the conditions of the operation contract.
- (55) The supply of town thermal energy for heating and preparing hot water for consumption is made through the thermal energy system of the City of Focsani and is part of the town's technical-municipal infrastructure. The City Council of Focsani provides to the Company the heating system needed for accomplishing services of general economic interest through concession contract.

(56) To summarize, S.C. ENET S.A. Focsani, by these provisions, is under the obligation to ensure the effective functioning of services relating to the production, transport, distribution and supply of thermal energy that are essential for the population, institutions and undertakings of Focsani city. It is furthermore required to provide these services at a regulated price that is intended to ensure the affordability for the consumer. Consequently, one can conclude that S.C. ENET S.A. Focsani by licenses is entrusted with the discharging of a service of general economic interest.

#### **3.4. The condition under 3.2. b) :**

(57) According to this criterion, the compensation of the public service obligation must be calculated on pre-established objectives and transparent parameters, and may not grant an economic advantage to the beneficiary.

(58) The two parameters on the basis of which the level of compensation is calculated are the national base price established by ANRE, and the local delivery price established by ANRE. These parameters are established in advance by Government decision, at ANRE's proposal. The Methodology establishing the national base price is based on the following:

- fuel price for the production of thermal energy;
- energy price;
- the general price index;
- exchange rate ROL/USD.

The local delivery price is established on the basis of Methodology establishing regulated sale/purchase prices, transport tariffs and distribution for thermal energy issued by ANRE. The thermal energy producers transmit to the regulatory authority the methodology of establishing prices, comprising the fixed and variable costs forecasted for the last 12 months and the costs for the following 12 months of operation. The regulatory authority analyses the variable costs (fuel price, specific consumptions of thermal energy production, losses of thermal energy in the transport and distribution network) and the fixed costs, and approves the local price of thermal energy, thus coming up with different local delivery prices for each company.

(59) The information sent to the Competition Council demonstrates that the procedure mentioned under paragraph 58 is based on the ante-calculation method, and the parameters - based on which the compensation for the delivery of service of general economic interest is established - are set in advance.

#### **3.5. The condition under 3.2. c) :**

(60) Condition 3.2.c) essentially requires that the compensation should not exceed the costs incurred through the service of general economic interest.

(61) First of all, it is noted that S.C. ENET S.A. Focsani received budget allocations amounting at ROL 34,800,000 thousand, which exclusively covers indispensable investments into the company's utilities.

(62) Table no. 5 above shows that the amounts received by S.C. ENET S.A. Focsani as a subsidy amounting at ROL 321,270,053 thousand only covers the negative difference between the national base price and the local delivery price for thermal energy.

(63) Furthermore, Table no.7 indicates that during the analyzed period S.C. ENET S.A. Focsani incurred a loss of ROL 205,814,587 thousand caused by the difference between the

price established by ANRE for the thermal energy in form of hot water supplied and the real cost of production and delivery.

(64) The total state aid from which the company benefits in the period 2001-2004 amounts at ROL 487,385,305.78 thousand, of which:

- ROL 321,270,053 thousand were used exclusively to cover the negative difference between the national base price and the local delivery price for thermal energy;
- ROL 166,115,252.78 represent facilities in the form of exemptions from penalties for late payments and budget allocations for investments.

(65) Taking into account the losses of ROL 205,814,587 thousand that the company incurred from the discharge of the service of general economic interest, it can be seen that the remaining facilities granted to the company in the form of debts exemptions and budget allocations for investments amounting at ROL 166,115,252.78 thousand does not fully cover the company's losses and it can therefore be concluded that the state aid the company received did not exceed the total costs incurred through the performance of the public service.

(66) Under these circumstances, it is considered that the state aid granted to the company in the period 2001-2004 represents only a compensation for the costs related to performing the service of general economic interest of producing, transporting, distributing and delivering thermal energy in the form of hot water in the town of Focsani.

### **3.6. The condition under 3.2. d) :**

(67) S.C ENET S.A was not entrusted with the service of general economic interest to produce thermal energy by a public tender procedure.

(68) The public service to produce and supply thermal energy was entrusted to S.C. ENET S.A. by a license from ANRE. Thus, in order to establish the compensation level, it is necessary to analyze the costs that another well-run undertaking would have borne from providing the same service. On the Romanian thermal energy market other producers and suppliers are also acting (e.g. Termoelectrica, CET Govora, CET Bacau, Electrocentrale etc.). Still, a comparison with these companies would not be relevant, as they are also public undertakings receiving aid from the state for discharging a public service obligation. However, making a comparative analysis with other thermal energy producers and suppliers, one can noticed that their situation is similar to the situation of the analyzed undertaking, namely the real costs of the service exceed local delivery prices set by ANRE, and the causes leading to this are in fact similar.

(69) Given the above, one can conclude that the four conditions under par. 3.2. are not met cumulatively, namely the condition under par. 3.2. (d) was not proved. Therefore, the measures of state support for S.C. ENET S.A. Focsani, notified by the Ministry of Administration and Interior, constitute state aid for the purposes of *art. 2 of Law 143/1999 on State aid, with subsequent modifications and completions* and of the *Regulation on state aid in the form of compensations granted to certain undertakings entrusted with services of general economic interest*.

#### **4. COMPATIBILITY OF THE AID**

(70) According to the *Regulation on state aid in the form of compensations granted to certain undertakings entrusted with services of general economic interest* compensations granted in view of discharging the service of general economic interest may constitute state aid compatible with a normal competition environment if the following conditions are met:

- a) the state aid is necessary for discharging a service of general economic interest;
- b) the state aid does not unduly affect the trade between Romania and the EU Member States.

##### **4.1. State aid necessary for discharging a service of general economic interest**

(71) In order to be able to assess the necessity of the aid with respect to the discharging of the service the following conditions should be observed:

- the beneficiary needs to be officially entrusted with discharging a clearly defined service of general economic interest; and,
- the compensation should not exceed what is necessary to discharge the service of general economic interest, taking into account the revenues arising from its performance.

(72) As discussed under point 3.3. above, S.C. ENET S.A. Focsani is exercising a service of general economic which is essential for the population, institutions and undertakings of Focsani city interest that is clearly defined by license.

(73) S.C. ENET S.A. Focsani operates its service is under the public ANRE licenses no. 19/2000, 20/2000, 21/2000 and 483/2002. The licenses in conjunction with the relevant law define clearly the obligations of the service that the company should discharge. Therefore, we can conclude that S.C. ENET S.A. Focsani was officially entrusted with the public service.

(74) It follows, from the assessment under par. 3.5. above, that under the conditions of a regulated market for discharging this service, the company cannot impose on its consumers a price that is sufficient to cover its operation costs. This is the main cause for which the company has annual losses. Furthermore, the compensation granted to the company does not fully cover all the costs that are currently being incurred by the provision of the public service.

(75) Therefore, one can conclude that the state aid granted to S.C. ENET S.A. Focsani does not exceed what is necessary to discharge under normal conditions of continuity, safety and comfort the public service of production, transport, distribution and supply of thermal energy in form of hot water within the city of Focsani.

(76) Without the compensation the company would have to cease its activity which would consequently lead to the termination of the public service. This fact would have serious repercussions on the population and the undertakings from the county of Focsani, who would be deprived from the indispensable thermal energy, especially in the cold season.

#### **4.2. No unduly affect the trade between Romania and the EU Member States**

- (77) We should note that the activity of the company is restricted to a limited geographical area, and that S.C. Enet S.A. Focsani is the only operator. The geographic market affected by the state aid consists only in the territory of the town of Focsani. The company is not involved in exporting activities. Under these circumstances, we can consider that the commerce with the Member States is not unduly affected.

#### **4.3. There is no over-compensation**

- (78) The state aid granted to S.C. ENET S.A. Focsani in the form of exemptions from payments of budget obligations, budget allocations and subsidies (see pars. 19 and 21) does not represent an over-compensation because it does not exceed the costs which are absolutely necessary in order to perform the service of general economic interest. Having in view that the company has separate accounts for the activity of general economic interest service, on the one hand, and the production, transport, distribution and supply of thermal energy in the form of hot water, on the other, the likelihood of cross-subsidisation is excluded.
- (79) Thus, the two conditions provided at point (70), conditions provided in the *Regulation on state aid in the form of compensations granted to certain undertakings entrusted with services of general economic interest* are cumulatively met. This gives the basis to conclude that the support measures for S.C. ENET S.A. Focsani, representing compensations for the performance of the service of general economic interest, are state aid compatible with the normal competitive environment.
- (80) The total amount of state aid granted to S.C. ENET S.A. Focsani amounting at ROL 487,385,305.78 thousand, from which ROL 356,177,730.21 thousand is state aids received in the past years, and ROL 131,207,575.57 thousand is state aid notified by the Ministry of Administration and Internal Affairs is compatible with normal competition environment.

### **DECIDES**

**Art. 1.** The measures of financial support granted during 2001-2004 to S.C. ENET S.A. Focsani constitute state aid for the purposes of Art. 2 of *Law 143/1999 on State aid modified and completed by Law 603/2003 and GO 94/2004 on regulation of financial measures*.

**Art. 2.** The notified state aid represents a necessary compensation to achieve, under normal conditions of safety and continuity, the service of general economic interest of producing, transporting, distributing and supplying thermal energy, and this compensation does not affect the trade between Romania and the EU Member States in an unjustified way.

**Art. 3.** Pursuant to Art. 12 art. 2 (b) read in conjunction with Art. 14 par. 1 (j) of *Law 143/1999 regarding state aid with subsequent modifications and completions*, we authorize the state aid for S.C. ENET S.A. Focsani as aid to achieve under conditions of safety and continuity the service of general economic interest.

**Art. 4** Pursuant to Art. 24 of *Law 143/1999 with subsequent modifications and completions*, suppliers shall annually convey to the Competition Council information regarding the state aid granted to S.C. ENET S.A. Focsani in view of monitoring the aid.

**Art. 5.** This decision is applicable as of its date of communication.

**Art. 6.** Pursuant to Art. 29 of *Law 143/1999 regarding state aid with subsequent modifications and completions*, this decision may be appealed by the interested persons before the Bucharest Court of Appeal, the administrative section, within 30 days from its communication.

**Art. 7.** This Decision shall be communicated by the General Secretariat of the Competition Council to:

- The Ministry of Administration Internal Affairs, Piata Victoriei no. 1, sect. 6, Bucurest;
- SC ENET SA Focsani, Strada Bucuresti nr. 4, Focsani, jud. Vrancea, cod 620144.

**Art. 8** The Secretariat-General and the Directorate for State Aid Authorization of the Competition Council shall pursue the fulfilment of the present Decision.

**PRESIDENT**

**MIHAI BERINDE**

## ANNEX

Table no. 5 –*Evolution of the local delivery price, of the base price and of the subsidy granted in order to cover the difference between them, during 2001-2004.*

Period	Local delivery price to the population without VAT	Local delivery to the population with VAT	Base price without VAT	Base price with VAT	Difference between base price and local delivery price without VAT	Difference between base price and the local delivery price with VAT	Legal grounds base price	Volume delivered to the population	Subsidy value
	ROL Gcal	ROL /Gcal	ROL/Gcal	ROL /Gcal	ROL/ Gcal	ROL /Gcal		Gcal	thousand ROL
1	2	3	4	5	6=4-2	7=3-5	8	9	10=7*9
Jan.01	382,200						HG 756/2000		0
Feb.01	382,200						HG 756/2000		0
Mar.01	382,200						HG 756/2000		0
Apr.01	382,200						HG 756/2000		0
May.01	382,200						HG 756/2000		0
Jun.01	382,200						HG 756/2000		0
Jul.01	382,200						HG 756/2000		0
Aug.01	528,200						HG 756/2000		0
Sep.01	528,200						HG 724/2001		0
Oct.01	684,800						HG 724/2001		0
Nov.01	693,624		462,185		-231,439		HG 724/2001	35,993	8,330,095
Dec.01	701,768		462,185		-239,583		HG 724/2001	53,889	12,911,043
total year								89,882	21,241,138

2001									
Jan.02	723,530		483,193		-240,337		HG 1303/2001	50,520	12,141,825
Feb.02	726,271		483,193		-243,078		HG 1303/2001	32,354	7,864,545
Mar.02	721,000		483,193		-237,807		HG 1303/2001	25,987	6,179,890
Apr.02	721,000		483,193		-237,807		HG 1303/2001	21,541	5,122,601
May.02	721,000		504,202		-216,798		HG 340/2002	13,853	3,003,303
Jun.02	721,000	857,990	504,202	600,000		-257,990	HG 340/2002	12,338	3,183,080
Jul.02	845,200	1,005,788	504,202	600,000		-405,788	HG 340/2002	6,217	2,522,784
Aug.02	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	3.6	740
Sep.02	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	11,172	2,299,063
Oct.02	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	22,587	4,648,134
Nov.02	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	36,613	7,534,516
Dec.02	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	54,956	11,309,326
total year 2002								288,141.6	65,809,807
Jan.03	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	33,747	6,944,727
Feb.03	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	48,329	9,945,528
Mar.03	845,200	1,005,788	672,269	800,000		-205,788	HG 686/2002	40,696	8,374,748
Apr.03	993,100	1,181,789	672,269	800,000		-381,789	HG 686/2002	7,622	2,909,996
May.03	993,100	1,181,789	672,269	800,000		-381,789	HG 686/2002	26,044	9,943,312

Jun.03	993,100	1,181,789	672,269	800,000		-381,789	HG 686/2002	6,475	2,472,084
Jul.03	1,038,400	1,235,696	672,269	800,000		-435,696	HG 686/2002	5,360	2,335,331
Aug.03	1,038,400	1,235,696	672,269	800,000		-435,696	HG 686/2002	5,681	2,475,189
Sep.03	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	7,334	3,804,116
Oct.03	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	23,156	12,004,094
Nov.03	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	32,541	16,869,287
Dec.03	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	43,039	22,311,494
total year 2003								<b>280,024</b>	<b>100,389,906</b>
Jan.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	44,448	23,041,887
Feb.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	37,142	19,254,450
Mar.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	28,044	14,538,037
Apr.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	15,784	8,182,448
May.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	7,692	3,987,540
Jun.04	1,107,900	1,318,401	672,269	800,000		-518,401	HG 686/2002	7,204	3,735,536
Jul.04	1,267,400	1,508,206	672,269	800,000		-796,779	HG 1155/ 23.07.2004	6,096	4,857,929
Aug.04	1,267,400	1,508,206	752,941	896,000		-612,206	HG 1155/ 23.07.2004	7,174	4,391,965
Sep.04	1,267,400	1,508,206	752,941	896,000		-612,206	HG 1155/ 23.07.2004	6,807	4,167,286
Oct.04	1,267,400	1,508,206	752,941	896,000		-612,206	HG 1155/ 23.07.2004	10,166	6,223,941

nov. 04	1,267,400	1,508,206	752,941	896,000		-612,206	HG 1155/ 23.07.2004	27,189	16,645,269
dec. 2004	1,267,400	1,508,206	752,941	896,000		-612,206	HG 1155/ 23.07.2004	40,514	24,802,914
<b>total year 2004 General Total</b>								<b>238,260</b>	<b>133,829,202</b> <b>321,270,053</b>

Source: Notification form

Table no. 6 – Evolution of local delivery price, of the thermal energy cost and of the volume of hot water sold by S.C. ENET S.A. FOCSANI

PERIOD	LOCAL DELIVERY PRICE		LEGAL GROUNDS	QUANTITY SUPPLIED			UNIT COST
	POPULATI ON	UNDERTA KINGS		TOTAL	Of which:		
					POPULATI ON	UNDERT AKINGS	
	ROL/Gcal	ROL/Gcal		Gcal	Gcal	Gcal	ROL/Gcal
1	2	3	4	5	6	7	8
Jan.01	382,200	382,200	Dec.380/29.09.2000	62,877	53,208	9,669	579,908
Feb.01	382,200	382,200	Dec.380/29.09.2000	53,331	45,404	7,927	579,908
Mar.01	382,200	382,200	Dec.380/29.09.2000	44,934	38,982	5,952	579,908
Apr.01	382,200	382,200	Dec.380/29.09.2000	23,371	20,914	2,457	579,908
May.01	382,200	382,200	Dec.380/29.09.2000	12,778	12,383	395	579,908
Jun.01	382,200	600,500	Dec.380;511/24.05.2001	11,140	10,889	251	579,908
Jul.01	382,200	746,500	Dec.380;511/24.05.2001; 736/01.08.2001	11,153	10,902	251	579,908
Aug.01	528,200	746,500	Dec.380;511/24.05.2001; 736/01.08.2001	3,451	3,386	65	579,908
Sep.01	528,200	746,500	Dec.380;511/24.05.2001; 736/01.08.2001	9,809	9,655	154	579,908
Oct.01	684,800	684,800	Dec.953/25.10.2001	16,423	15,596	827	579,908
Nov.01	693,624	693,624	Dec.953/25.10.2001	41,406.7	35,993	5,413.7	579,908
Dec.01	701,768	701,768	Dec.953/25.10.2001	63,320.1	53,889	9,431.1	579,908
TOTAL YEAR				353,993.8	311,201	42,792.8	

<b>2001</b>							
Jan.02	723,530	723,530	Dec.17/11.01.2002	60,832	50,520	10,312	809,209
Feb.02	726,271	726,271	Dec.17/11.01.2002	38,206	32,354	5,852	809,209
Mar.02	721,000	721,000	Dec.17/11.01.2002	30,192	25,987	4,205	809,209
Apr.02	721,000	721,000	Dec.17/11.01.2002	24,728	21,541	3,187	809,209
May.02	721,000	721,000	Dec.17/11.01.2002	14,180	13,853	327	809,209
Jun.02	721,000	721,000	Dec.17/11.01.2002	12,618	12,338	280	809,209
Jul.02	845,200	845,200	Dec.525/01.07.2003	6,359	6,217	142	809,209
Aug.02	845,200	845,200	Dec.525/01.07.2003	3.6	3.6	0	809,209
Sep.02	845,200	845,200	Dec.525/01.07.2003	11,388	11,172	216	809,209
Oct.02	845,200	845,200	Dec.525/01.07.2003	24,393	22,587	1,806	809,209
Nov.02	845,200	845,200	Dec.525/01.07.2003	42,143	36,613	5,530	809,209
Dec.02	845,200	845,200	Dec.525/01.07.2003	64,369	54,956	9,413	809,209
<b>TOTAL YEAR 2002</b>				<b>329,411.6</b>	<b>288,141.6</b>	<b>41,270</b>	
Jan.03	845,200	890,000	Dec.15/13.01.2003	42,972	33,747	9,225	923,906
Feb.03	845,200	890,000	Dec.15/13.01.2003	56,946	48,329	8,617	923,906
Mar.03	845,200	890,000	Dec.15/13.01.2003	48,060	40,696	7,364	923,906
Apr.03	993,100	1,035,000	Dec.144/26.03.2003	10,892	7,622	3,270	923,906
May.03	993,100	1,035,000	Dec.144/26.03.2003	26,241	26,044	197	923,906
Jun.03	993,100	1,035,000	Dec.144/26.03.2003	6,565	6,475	90	923,906
Jul.03	1,038,400	1,082,600	Dec.336/08.07.2003	5,498	5,360	138	923,906
Aug.03	1,038,400	1,082,600	Dec.336/08.07.2003	5,829	5,681	148	923,906
Sep.03	1,107,900	1,155,800	Dec.391/12.09.2003	7,448	7,334	114	923,906
Oct.03	1,107,900	1,155,800	Dec.391/12.09.2003	26,142	23,156	2,986	923,906
Nov.03	1,107,900	1,155,800	Dec.391/12.09.2003	38,598	32,541	6,057	923,906
Dec.03	1,107,900	1,155,800	Dec.391/12.09.2003	50,046	43,039	7,007	923,906
<b>TOTAL YEAR 2003</b>				<b>325,237</b>	<b>280,024</b>	<b>45,213</b>	

Jan.04	1,107,900	1,155,800	Dec.391/12.09.2003	53,668	44,448	9,220	1,365,243
Feb.04	1,107,900	1,155,800	Dec.391/12.09.2003	44,552	37,142	7,410	1,365,243
Mar.04	1,107,900	1,155,800	Dec.391/12.09.2003	33,345	28,044	5,301	1,365,243
Apr.04	1,107,900	1,155,800	Dec.391/12.09.2003	19,259	15,784	3,475	1,365,243
May.04	1,107,900	1,155,800	Dec.391/12.09.2003	8,924	7,692	1,232	1,365,243
Jun.04	1,107,900	1,155,800	Dec.391/12.09.2003	7,682	7,204	478	1,365,243
Jul.04	1,267,400	1,322,658	Dec.181/18.06.2004	6,185	6,096	89	2,571,160
Aug.04	1,267,400	1,322,658	Dec.181/18.06.2004	7,291	7,174	117	2,571,160
Sep.04	1,267,400	1,322,658	Dec.181/18.06.2004	6,907	6,807	100	2,571,160
Oct.04	1,267,400	1,322,658	Dec.181/18.06.2004	11,007	10,166	841	2,571,160
Nov .04	1,267,400	1,322,658	Dec.181/18.06.2004	31897	27189	4708	2,571,160
dec. 2004	1,267,400	1,322,658	Dec.181/18.06.2004	45521	40514	5007	2,571,160
<b>TOTAL YEAR 2004</b>				<b>276,238</b>	<b>238,260</b>	<b>37,978</b>	

Source: Notification form

Table no. 7 – Evolution of the difference between the local delivery price and the cost of the thermal energy and of the losses caused by this difference for **hot water**

PERIOD	Difference between the price settled by ANRE and cost		QUANTITY DELIVERED			LOSSES CAUSED BY FAILURE TO COVER THE COST
	POPULATION	UNDERTAKIN GS	TOTAL	Of which:		
				POPULATION	UNDERTAKIN GS	
	ROL/Gcal	ROL/Gcal	Gcal	Gcal	Gcal	Thousand ROL
1	2	3	4	5	6	7=2*5+3*6
Jan.01	-197,708	-197,708	62,877	53,208	9,669	-12,431,285.90
Feb.01	-197,708	-197,708	53,331	45,404	7,927	-10,543,965.30
Mar.01	-197,708	-197,708	44,934	38,982	5,952	-8,883,811.27
Apr.01	-197,708	-197,708	23,371	20,914	2,457	-4,620,633.67
May.01	-197,708	-197,708	12,778	12,383	395	-2,526,312.82
Jun.01	-197,708	20,592	11,140	10,889	251	-2,147,673.82
Jul.01	-197,708	166,592	11,153	10,902	251	-2,113,598.03
Aug.01	-51,708	166,592	3,451	3,386	65	-164,254.80
Sep.01	-51,708	166,592	9,809	9,655	154	-473,585.57

Oct.01	104,892	104,892	16,423	15,596	827	1,722,641.31
Nov.01	113,716	113,716	41,406.7	35,993	5,413.7	4,708,604.29
Dec.01	121,860	121,860	63,320.1	53,889	9,431.1	7,716,187.38
<b>TOTAL YEAR 2001</b>			<b>353,993.8</b>	<b>311,201</b>	<b>42,792.8</b>	<b>-29,757,688</b>
Jan.02	-85,679	-85,679	60,832	50,520	10,312	-5,212,024.93
Feb.02	-82,938	-82,938	38,206	32,354	5,852	-3,168,729.23
Mar.02	-88,209	-88,209	30,192	25,987	4,205	-2,663,206.13
Apr.02	-88,209	-88,209	24,728	21,541	3,187	-2,181,232.15
May.02	-88,209	-88,209	14,180	13,853	327	-1,250,803.62
Jun.02	-88,209	-88,209	12,618	12,338	280	-1,113,021.16
Jul.02	35,991	35,991	6,359	6,217	142	228,866.77
Aug.02	35,991	35,991	3.6	3.6	0	129.57
Sep.02	35,991	35,991	11,388	11,172	216	409,865.51
Oct.02	35,991	35,991	24,393	22,587	1,806	877,928.46
Nov.02	35,991	35,991	42,143	36,613	5,530	1,516,768.71
Dec.02	35,991	35,991	64,369	54,956	9,413	2,316,704.68
<b>TOTAL YEAR 2002</b>			<b>329,411.6</b>	<b>288,141.6</b>	<b>41,270</b>	<b>-10,238,754</b>
Jan.03	-78,706	-33,906	42,972	33,747	9,225	-2,968,874.23
Feb.03	-78,706	-33,906	56,946	48,329	8,617	-4,095,950.28
Mar.03	-78,706	-33,906	48,060	40,696	7,364	-3,452,703.16
Apr.03	69,194	111,094	10,892	7,622	3,270	890,674.05
May.03	69,194	111,094	26,241	26,044	197	1,823,974.05
Jun.03	69,194	111,094	6,565	6,475	90	458,029.61
Jul.03	114,494	158,694	5,498	5,360	138	635,587.61
Aug.03	114,494	158,694	5,829	5,681	148	673,927.12
Sep.03	183,994	231,894	7,448	7,334	114	1,375,847.91
Oct.03	183,994	231,894	26,142	23,156	2,986	4,953,000.55

Nov.03	183,994	231,894	38,598	32,541	6,057	7,391,930.71
Dec.03	183,994	231,894	50,046	43,039	7,007	9,543,799.02
<b>TOTAL YEAR 2003</b>			<b>325,237</b>	<b>280,024</b>	<b>45,213</b>	<b>17,229,243</b>
Jan.04	-257,343	-209,443	53,668	44,448	9,220	-13,369,446.10
Feb.04	-257,343	-209,443	44,552	37,142	7,410	-11,110,206.30
Mar.04	-257,343	-209,443	33,345	28,044	5,301	-8,327,184.44
Apr.04	-257,343	-209,443	19,259	15,784	3,475	-4,789,716.34
May.04	-257,343	-209,443	8,924	7,692	1,232	-2,237,516.13
Jun.04	-257,343	-209,443	7,682	7,204	478	-1,954,012.73
Jul.04	-1,303,760	-1,248,502	6,185	6,096	89	-8,058,837.64
Aug.04	-1,303,760	-1,248,502	7,291	7,174	117	-9,499,248.96
Sep.04	-1,303,760	-1,248,502	6,907	6,807	100	-8,999,544.52
Oct.04	-1,303,760	-1,248,502	11,007	10,166	841	-14,304,014.30
Nov. 04	-1,303,760	-1,248,502	31,897	27,189	4,708	- 41,325,878
Dec. 04	-1,303,760	-1,248,502	45,521	40,514	5,007	-59,071,782
<b>TOTAL YEAR 2004</b>			<b>276,238</b>	<b>238,260</b>	<b>37,978</b>	<b>-183,047,388</b>
<b>GENERAL TOTAL</b>						<b>-205,814,587</b>

Source: the notification form