

imo 
Independent Market Operator



2011/12 Operational Plan

Contents

Executive Summary.....	3
1 Independent Market Operator – Corporate Structure	4
2 2010/11 in Review.....	7
3 Strategic Direction and Operational Priorities for 2011/12.....	9
4 2011/12 Budget.....	13
5 Market Fees.....	18
6 Proposed Key Performance Indicators – 2011/12	20
Appendix A.....	22



Executive Summary

The 2011/12 year will be the fifth full year of operation by the Independent Market Operator (IMO) of the Wholesale Electricity Market (WEM) for Western Australia. This year the IMO will focus on delivering on the commitments it has made, including:

- Delivering the Market Evolution Program (MEP), an initiative the IMO has undertaken on behalf of industry to introduce a new balancing market for the SWIS which will provide more up-to-date, “real-time” pricing outcomes for the operation of the STEM and targeted reserve capacity refunds (refer section 3.3.1);
- Delivering on the IMO’s commitment to improve its compliance with the Wholesale Electricity Market Rules; and
- Introducing more robust market IT systems by delivering on the IMO’s IT Roadmap.

Operational priorities contained in this Operational Plan have been developed based on the IMO’s experience in operating the WEM.

The IMO has achieved the majority of its Key Performance Indicators for the period 1 July 2010 to April 2011.

Plan Governance and Approval

The IMO received approval in March 2010 of its Allowable Revenue from the Economic Regulation Authority (ERA) for the Review Period 2010/11 to 2012/13.

This Operational Plan and budget is consistent with the Allowable Revenue determined by the ERA.

The IMO Board approved the draft 2011/12 Operational Plan at its meeting on 21 April 2011.

In accordance with the *Electricity Industry (Independent Market Operator) Regulations 2004*, the IMO is required to submit to the Minister for Energy the 2011/12 Operational Plan by 30 April 2011.

The Operational Plan is required to include a budget for the coming financial year, with the Minister required to make a decision on the budget within thirty business days.

The IMO must publish the approved budget within five business days of receiving the Minister’s approval.



1 Independent Market Operator – Corporate Structure

The IMO is a body corporate that was established on 1 December 2004 to administer and operate the Wholesale Electricity Market (WEM) of Western Australia.

The key roles and functions of the IMO are set out in the following instruments:

- Wholesale Electricity Market Rules;
- *Electricity Industry (Wholesale Electricity Market) Regulations 2004*; and
- *Electricity Industry (Independent Market Operator) Regulations 2004*.

1.1 Market Objectives

The *Electricity Industry Act 2004* sets the objectives of the WEM. These objectives are:

- To promote the economically efficient, safe and reliable production and supply of electricity and related services in the South West inter-connected system (SWIS);
- To encourage competition among generators and retailers in the SWIS, including by facilitating efficient entry of new competitors;
- To avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- To minimise the long-term cost of electricity supplied to customers from the SWIS; and
- To encourage the taking of measures to manage the amount of electricity used and when it is used.

1.2 IMO Governance Framework

The IMO Board is the governing body, with authority to perform the functions, determine policies and control the affairs of the IMO.

The IMO Board is appointed by the Minister for Energy and operates in accordance with the *Electricity Industry (Independent Market Operator) Regulations 2004*.

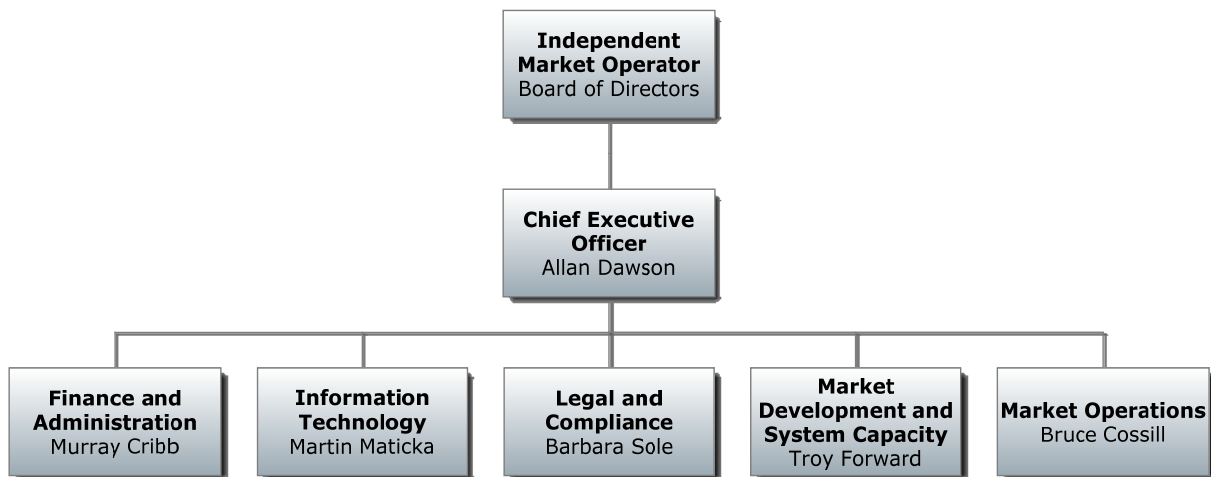


The IMO Board members are:

- John Kelly (Chairman);
- Shaun Dennison; and
- David Huggins.

1.3 IMO Organisational Structure

Figure 1. IMO Organisational Chart



The IMO currently has 29 approved positions, corresponding to 28.1 FTE's after adjusting for part-time positions.

Four additional positions (3.4 FTE's) have been provided for through this Operational Plan to meet the ongoing business needs of the IMO:

- Human Resources Manager (0.4 FTE) – to provide professional support and build internal capability;
- IT Operations Team Lead (1.0 FTE) – resulting from a restructure of the IT area, (with a corresponding reduction in contracted external database consultancy support);
- Business Analyst, Change (1.0 FTE) – to enable the IMO to more effectively implement change; and
- Senior Analyst, Business Improvement (1.0 FTE) – to more effectively coordinate system development and project priorities to improve delivery of core operational services.

In addition, there will be ongoing internal resourcing requirements associated with the MEP. In the funding submission that was forwarded to the Economic and Expenditure Reform Committee (EERC), it was identified that an additional 4 FTE would be required to support the improved market model.

These positions have now been identified as follows:

- Market Compliance Data Analyst (1.0 FTE) and Market Compliance Business Analyst (1.0 FTE) – the IMO is required to monitor the behavior of Market Participants to ensure compliance with market obligations. These positions will provide a capability not currently possible and will be especially important in supporting the new balancing regime anticipated under the MEP;
- Energy Market Analyst (1.0 FTE) – provide analytical capability for rule change, procedure change, and MAC/Working Group processes; and
- Project Officer, Market Development and System Capacity (1.0 FTE) – provide administrative support for MAC/Working Group processes.

The positions will be recruited during the course of the year in line with implementing the improved market model.

2 2010/11 in Review

In 2010/11, the IMO's main focus was on looking for opportunities to improve its service delivery to customers and to support the market's next evolutionary steps. This included endeavours to:

- Enhance market transparency through the publication of market data and information on the IMO website and market systems.
- Continue to proactively manage market evolution through the publication and implementation of a Market Rules Evolution Plan.
- Actively manage the operational risks associated with the market systems.
- Build redundancy in market operations (people and systems).
- Undertake the proactive retention of institutional knowledge.

2.1 Key Performance Indicators 2010/11 (Current to 31 March 2011)

Strategic Objective: Market Operations

Measure	Performance Expectation	Progress to 31 March 2011 (9 months)
Number of STEM Market Suspensions	≤ 1	1
STEM Market delay	≤ 5	3
Unplanned system unavailability (3,650 hours per year – 7:00 am – 5:00 pm seven days per week)	≤ 20 hours not available	4 hours
Late Settlement statements (STEM & Non-STEM)	≤ 2	2

Strategic Objective: Financial Responsibility

Measure	Performance Expectation	Progress to 31 March 2011 (9 Months)
Expenditure Control	≤ Allowable Revenue	Within budget.
Capital Expenditure Control	≤ Capital Budget	Within budget.



Strategic Objective: Market Development

Measure	Performance Expectation	Progress to 31 March 2011 (9 Months)
Market Evolution Plan reviewed and updated	1 time per year	No updates planned to the Market Rules Evolution Plan for this year as IMO and Market Participants fully engaged on the Market Evolution Program.
High Priority Rule Changes on Market Rule Change log	Each change progressed within 3 months	No high priority rule changes received within the period.
Medium Priority Rule Changes on Market Rule Change log	Less than 5 outstanding issues (by the end of 2010/11)	Currently 22 on the log, this is equal to the 22 on the log at the start of the review period. This represents 18 new potential issues and 18 issues resolved. ¹
Conduct Investor Information Briefings	Three national briefings conducted, with potential for one international briefing	Investor forum briefings held in Sydney and Melbourne in October 2010.

Strategic Objective: Customers and Stakeholders

Measure	Performance Expectation	Progress to 31 March 2011 (9 Months)
Number of market training sessions presented	≥ 25 courses	27 sessions presented.

Strategic Objective: IMO Capacity and Capability

Measure	Performance Expectation	Progress to 31 March 2011 (9 Months)
Training and development undertaken by IMO staff	40 hours per person	Average 25 hours per person (YTD).

¹ Number of issues on the Market Rule Change Log has not reduced in line with expectations. Internal reviews have uncovered multiple new rule changes. The IMO will be engaging additional resources to aid in progressing more medium priority rule change proposals.



3 Strategic Direction and Operational Priorities for 2011/12

The IMO's strategic objectives have been revised for 2011/12 to reflect the growing maturity of the organisation.

THE IMO'S STRATEGIC OBJECTIVES

Operating the Market

- The IMO operates reliable and efficient markets with integrity and transparency.

Developing the Market

- The IMO leads short term improvement and supports long term evolution of the Market using robust analysis, objective reasoning and consultation.

Building Strong Relationships

- The IMO develops enduring relationships with customers and stakeholders based on trust and open communication.

Financial Responsibility

- All financial transactions have prudent governance oversight. IMO expenditure is cost efficient.

Skills and Resources

- The IMO has the skills and resources to operate professionally and meet stakeholders' expectations.

The 2011/12 Operational Plan is consistent with these strategic objectives.

3.2 Operational Deliverables

The IMO's 2011/12 Operational Plan is predicated on operating the Market in compliance with the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, the *Electricity Industry (Independent Market Operator) Regulations 2004* and the Wholesale Electricity Market Rules.

In performing its functions the IMO relies on strong corporate governance and robust service delivery.

The IMO aims to minimise any disruption in market operations caused by rule breaches.



The IMO's operational deliverables are built on, and provide support to, the IMO's core functions.

Strategic Objective: Operating the Market

The IMO operates reliable and efficient markets with integrity and transparency.

- Implement formal support and monitoring systems for the WEMS to improve availability and system quality.
- Promote the Reserve Capacity Mechanism to prospective Market Participants, investors and financiers.
- Focus on developing and improving the compliance monitoring functions of the IMO.

Strategic Objective: Developing the Market

The IMO leads short term improvement and supports long term evolution of the Market, using robust analysis, objective reasoning and consultation.

- Deliver on the MEP by developing the market appropriately and to ensure a successful implementation of the project.
- Complete the Reserve Capacity Mechanism Review and initiate design changes where appropriate.

Strategic Objective: Building Strong Relationships

The IMO develops enduring relationships with customers and stakeholders based on trust and open communication.

- Listen to our stakeholders and take their views into consideration when we make decisions.
- Continue to improve the IMO website and the way we deliver information to our stakeholders.
- Maintain market training to meet the needs of our stakeholders.

Strategic Objective: Financial Responsibility

All financial transactions have prudent governance oversight. IMO expenditure is cost efficient.

- Refresh the expert consultant and legal panel to ensure the IMO obtains value-for-money contracting services.
- Planned audits conducted in accordance with approved audit program.
- Ensure IMO internal resources are efficiently applied to the IMO's work programs.



Strategic Objective: Skills and Resources

The IMO has the skills and resources to operate professionally and meet stakeholders' expectations.

- Develop and deliver an integrated approach to performance management.
- Continue to identify and mitigate key person risk.
- Continue the IMO's successful graduate program.

3.3 Special Projects

3.3.1 Market Evolution Program (MEP)

The Rules Development and Implementation Working Group (RDIWG) was set up in August 2010 to assess a set of specific issues in the areas of balancing, reserve capacity refunds, ancillary services and the operations of the STEM.

The IMO Board also approved a series of IT initiatives over the next four years to improve the IMO's IT systems and to extend their life.

The RDIWG has progressed work on three key areas: balancing, load following ancillary services and reserve capacity refunds. If RDIWG advice on these issues is confirmed by the Market Advisory Committee and the IMO Board, the IMO will aim to deliver in the 2011/12 year:

- A new balancing market, for which market trials will commence on 1 December 2011, which is fully operational from 1 April 2012 and which ensures:
 - More economically efficient balancing options are used to provide balancing services – whether it be IPP generation, demand side management or Verve Energy generation;
 - The State-owned generator, Verve Energy, can be increasingly treated like other Market Participants over time even though it remains as the default balancer.
- A new competitive load following ancillary service market which will also be fully operational from 1 April 2012 and which ensures:
 - More economically efficient options are used to provide load following ancillary services – whether it be IPP generation, demand side management or Verve Energy generation; and
 - The State owned Generator, Verve Energy, can be increasingly treated like other Market Participants over time even though it remains as the default provider of ancillary services.
- A new reserve capacity refund methodology that:



- Continues to incentivise an efficient long term maintenance regime for generation units to support the reliable delivery of energy; and
- Provides a refund regime that better reflects actual market conditions.
- A Market IT system with a longer life, that will be in place from 1 July 2012, and which:
 - Enables the MEP changes to be rolled out successfully, on time and on or under budget; and
 - Allows the market to continue to operate and evolve for another 3-5 years without further substantial IT investment and/or until more fundamental reforms are rolled out.

The IMO notes that successful delivery of the MEP will involve working closely with WEM participants to develop the necessary rules, procedures and IT systems. Final delivery of the project will be contingent on external parties, and delays will have cost impacts on the IMO. If the MEP experiences significant delays the IMO may need to seek additional funding.

3.3.2 Other initiatives

The IMO has identified a small number of externalities which may impact on the 2011/12 Operational Plan. These include:

- The effect on the IMO of any changes that result of the State Energy Initiative; and
- Managing changes identified by the federal government deriving from a possible carbon tax.

Depending on the size and complexity of any requirements resulting from these initiatives, the IMO may need to submit a modified operational plan.



4 2011/12 Budget

4.1 Three Year Review Period – Approvals Previously Provided

4.1.1 ERA approval – Allowable Revenue submission

In accordance with clause 2.22.3 of the Wholesale Electricity Market Rules, the ERA approved the IMO's Allowable Revenue in March 2010 for the Review Period 2010/11 to 2012/13.

Allowable Revenue is defined as the revenue that may be recovered through fees to meet the costs of providing the IMO's services to the market.

The ERA determination allowed for total expenditure across the review period of \$34.045 million (after allowing for interest revenue of \$102,000).

4.1.2 Minister for Energy approval – 2010/11 Operational Plan

The Minister for Energy approved the IMO's 2010/11 Operational Plan on 14 July 2010 which provided for additional "special project" funding (over that approved by the ERA for the first year of the Review Period) of \$869,000, predominantly for seed funding to consider the recommendations flowing from Government's review of Verve Energy.

4.1.3 Treasurer's approval – Market Evolution Program (MEP)

Subsequent to submitting the draft 2010/11 Operational Plan to the Minister for Energy, the MEP emerged as a new work program necessary to improve the WEM.

On the advice of the Department of Treasury and Finance a submission was prepared for a cabinet sub-committee (EERC), to increase the IMO's loan facility with the Western Australian Treasury Corporation.

Subsequent advice from the EERC was the application could be approved under the delegated authority of the Treasurer. The Treasurer provided his approval on 13 December 2010.

The approval provided for additional loan funding of \$7.98 million across 2010/11 and 2011/12 to fund implementation of the MEP. It should be noted that the MEP expenditure is to be capitalised, and will be depreciated over the financial years 2011/12 to 2014/15.

Operational and funding issues related to the MEP were incorporated into a Modified 2010/11 Operational Plan which was approved by the Minister for Energy on 12 April 2011.



4.1.4 Total approved expenditure – Current review period

Approved expenditure relating to the above three decisions is set out below:

	2010/11 (000)	2011/12 (000)	2012/13 (000)	Total (000)
ERA Allowable Revenue Approval	10,922	11,369	11,754	34,045
Operational Plan – Special Projects	869	-	-	869
MEP	<u>84</u>	<u>1,351</u>	<u>2,957</u>	<u>4,392</u>
Total	11,875	12,720	14,711	39,306

4.2 The Adjusted Three Year View - Expenditure

A review of the expenditure requirements for the Review Period has identified a budget requirement for 2011/12 of \$12,853,000 (being \$133,000 higher than currently approved), and \$39,289,000 across the Review Period (being \$19,000 less than currently approved).

Appendix A sets out the revised expenditure requirements by expenditure classification, compared to current approvals, separately broken into IMO “Normal Operations” and the Market Evolution Program.

4.3 Inter-Period Budget Adjustment

The IMO is required under the Market Rules to return an operating surplus to Market Participants via an adjustment to the Allowable Revenue two years hence.

In 2009/10 the IMO budgeted for an operating loss of \$2.232 million, to account for the surplus recorded in 2007/08.

The actual result in 2009/10 was a loss of \$2.076 million, being \$156,000 less than the budgeted loss of \$2.232 million.

The proposed budget in the 2011/12 Operational Plan takes into account an adjustment of this \$156,000.

The relevant inter-period budget adjustments are set out below.

Financial Budget/Result	2008/09 (000)	2009/10 (000)	2010/11 (000)	2011/12 (000)
Budgeted Profit/(Loss)	(2,493)	(2,232)	(688)	(156)
Actual Profit/(Loss)	<u>(1,805)</u>	<u>(2,076)</u>	<u>TBD</u>	<u>TBD</u>
Variance	688	156	TBD	TBD

4.4 Revenue Interest Adjustments

The IMO expects to receive significantly higher interest revenue over the Review Period than approved by the ERA, as shown below:

Interest Revenue	2009/10 (000)	2010/11 (000)	2011/12 (000)	Total (000)
ERA Allowable Revenue Approval	34	34	34	102
Projected	<u>150</u>	<u>150</u>	<u>150</u>	<u>450</u>
Increase	116	116	116	348

4.5 The Adjusted Three Year View – Market Fees to be Levied

Combining the approvals previously provided, the inter-period budget adjustments, and revenue interest adjustments produces a revised three-year arrangement in terms of Market Fees to be levied on the market. This will see the amount expected to be levied on Market Participants reduce by \$523,000 as set out below.

Market Fee Impact	2010/11 ¹ (000)	2011/12 (000)	2012/13 (000)	Total (000)
Current Approvals:				
- ERA Allowable Revenue: Market Fee recovery	10,888	11,335	11,720	33,943
- Less Inter Period Budget Adjustment From 2008/09	(688)	-	-	(688)
- 2010/11 Operational Plan – Special Projects	869	-	-	869
- MEP ²	-	<u>1,351</u>	<u>3,041</u>	<u>4,392</u>
Sub Total (Currently Approved)	11,069	12,686	14,761	38,516
Adjustments:				
- Inter Period Budget Adjustment From 2009/10 ³	-	(156)	-	(156)
- Inter Period Budget Adjustment From 2010/11 ⁴	-	-	(456)	(456)
- Revenue Interest Adjustments	-	(116)	(116)	(232)
- Additional expenditure 2011/12 and 2012/13 ⁵	-	<u>133</u>	<u>188</u>	<u>321</u>
Sub Total (Adjustments)	-	<u>(139)</u>	<u>(384)</u>	<u>(523)</u>
Adjusted Total (Market Fees)	11,069	12,547	14,377	37,993

1. Figures per 2010/11 Modified Operational Plan approved by Minister for Energy on 12 April 2011.
2. Amount of \$84,000 in 2010/11 for MEP, added to amount of \$2,957,000 in 2012/13 (Market Fee rate for 2010/11 could not be adjusted after year start – as such, the amount will carry forward as part of the inter-period budget adjustment).
3. Per Section 4.3 above.
4. Inter-period budget adjustment for from 2010/11 being (a) projected expenditure saving form 2010/11 of \$340,000 (per Appendix A); and (b) projected extra interest in 2010/11 of \$116,000 (per Section 4.4 above).
5. Projected additional expenditure in 2011/12 and 2012/13, above current approvals (per Appendix A).

4.6 IMO Proposed Budget by Functional Areas

The IMO is required under the Market Rules to prepare a budget for each service. Accordingly the budgeted expenditure has been broken down by functional service area.

Functional service area	Budgeted 2011/12 (000)
Market Administration	2,573
Market Operation	8,015
System Planning	<u>2,265</u>
Total Budget	12,853

4.7 IMO Sources of Funding

The IMO is required under the *Electricity Industry (Independent Market Operator) Regulations 2004* to estimate the sources of funding.

Sources of funding	Budgeted 2011/12 (000)
Market Fees (Adjusted)	12,547
Inter-Period Adjustment (from 2009/10)	156
Interest Revenue	<u>150</u>
Total Funding	12,853

5 Market Fees

One of the IMO's responsibilities under the Market Rules is to charge Market Fees to recover the costs of:

- the IMO;
- System Management's wholesale market functions; and
- the ERA's market functions.

The Market Rules provide a methodology for calculating fees for settlement through the market. The fee rates will be set to recover allowable revenue on the following basis:

- 50% on the basis of the forecast annual generation; and
- 50% on the basis of the forecast annual load.

There is a fixed rate application fee set at a level commensurate with the direct costs borne by the IMO.

Prior to 30 June 2011 the IMO must publish each of the following:

- Market Fee rate
- System Operation Fee rate
- Regulator Fee rate
- Rate for each Application Fee for 2011/12
- Total projected IMO fees for 2011/12
- Total projected System Operation Fees for 2011/12
- Total projected Regulator Fees for the ERA's market monitoring and regulation services for 2011/12

The Market Rules provide for information about the expected fee rate to be published in the event that, prior to 30 June, the IMO's annual budget has not received approval from the Minister or the IMO has not been provided with a copy of the relevant information from the System Operator or the Regulator.

5.1 Market Fees for 2011/12

The total revenue to be recovered through Market Fees in 2011/12 is as follows:

Market Fees - Revenue Requirement	(\$000's)
IMO Revenue Requirement	12,547
System Management Revenue Requirement	TBA
ERA Revenue Requirement	TBA
Total Revenue to be recovered through Market Fees	TBA

The IMO is yet to receive advice from System Management or the ERA on their revenue requirements for 2011/12.

Following the release of updated energy forecasts in June 2010, the IMO will determine and publish the level of the Market Fee rate, System Operation Fee rate and Regulator Fee rate for 2011/12.

The indicative Market Fee rate relating to the IMO is set out below:

IMO Revenue Requirement 2011/12	(\$000's)
Revenue Requirement	12,547
Indicative IMO Market Fee Rate (MWh) ²	\$0.328

Trend in IMO Fee rate	IMO Fee recovered Dollars per MWh
2006/07	\$0.307
2007/08	\$0.322
2008/09	\$0.271
2009/10	\$0.266
2010/11	\$0.316
2011/12 Projected ⁴	\$0.328

⁴ Influenced by expenditure of \$1.028 million on the MEP in 2011/12. The Market Fee rate without MEP expenditure would be \$0.301Mwh.



6 Proposed Key Performance Indicators – 2011/12

Strategic Objective: Operating the Market

Measure	Performance Expectation Per Year
Number of STEM Market Suspensions	≤ 1
STEM Market delay	≤ 5
Unscheduled IT outages during Market operation ³	≤ 20 hours outage
Late Settlement statements (STEM & Non-STEM)	≤ 2
Key deadlines for Reserve Capacity Mechanism published on IMO website and met	IMO adherence to all published deadlines

Strategic Objective: Developing the Market

Measure	Performance Expectation Per Year
Review of Market Rules Evolution Plan	Once per year
Delivery of the MEP	On time; ≤ Budget; and Consistent with the objectives approved by the IMO Board
High Priority Rule Changes on Market Rule Change log	Each change progressed within 3 months
Conduct Investor Information Briefings	Two national briefings conducted, with potential for one international briefing

Strategic Objective: Building Strong Relationships

Measure	Performance Expectation Per Year
Number of market training sessions presented	≥ 25 courses

³ Market Operating hours are currently 7:00-17:00, 7 days a week

Strategic Objective: Financial Responsibility

Measure	Performance Expectation Per Year
Expenditure Control	≤ Allowable Revenue
Capital Expenditure Control	≤ Capital Budget

Strategic Objective: Skills and Resources

Measure	Performance Expectation Per Year
Training and development undertaken by IMO staff	40 hours per person



Appendix A

IMO Expenditure Budget: Current Triennium 2010/11 - 2012/13

(A) CORPORATE SUMMARY:

IMO Combined	Current Approved				Projected Expenditure			
	2010/2011 Modified Operational Plan \$'000	2011/2012 Approved \$'000	2012/2013 Approved \$'000	Total Approved \$'000	2010/2011 Projected \$'000	2011/2012 Projected \$'000	2012/2013 Projected \$'000	Total Projected \$'000
Employee Benefits	4,013	4,655	5,114	13,782	4,331	4,887	5,530	14,748
Supplies Services	5,553	4,480	4,501	14,534	5,218	4,635	4,497	14,351
Accommodation	326	396	501	1,222	337	396	501	1,233
Depreciation	1,712	2,665	4,167	8,544	1,453	2,444	3,949	7,846
Borrowings Costs	272	525	429	1,226	197	491	423	1,112
Total	11,876	12,720	14,712	39,308	11,536	12,853	14,900	39,289

(B) COMPONENT PARTS:

Component	Current Approved				Projected Expenditure			
	2010/2011 Modified Operational Plan ¹ \$'000	2011/2012 Approved ^{2,3} \$'000	2012/2013 Approved ^{2,3} \$'000	Total Approved \$'000	2010/2011 Projected \$'000	2011/2012 Projected \$'000	2012/2013 Projected \$'000	Total Projected \$'000
IMO Normal Operations								
Employee Benefits	4,013	4,269	4,545	12,827	4,331	4,628	5,070	14,029
Supplies Services	5,553	4,373	4,456	14,382	5,218	4,559	4,456	14,233
Accommodation	326	396	445	1,166	337	396	445	1,177
Depreciation	1,712	2,090	2,046	5,847	1,453	1,869	1,829	5,151
Borrowings Costs	188	242	262	692	122	197	234	552
Sub Total	11,791	11,369	11,754	34,915	11,461	11,648	12,034	35,142
Market Evolution Program								
Employee Benefits	0	386	568	955	0	259	460	719
Supplies Services	0	107	45	152	0	76	41	117
Accommodation	0	0	56	56	0	0	56	56
Depreciation	0	575	2,121	2,696	0	575	2,120	2,695
Borrowings Costs	84	283	167	534	76	295	189	559
Sub Total	84	1,351	2,957	4,393	76	1,205	2,866	4,147
Grand Total	11,876	12,720	14,712	39,308	11,536	12,853	14,900	39,289

NOTES:

1. 2010/11 Modified Operational Plan approved by Minister for Energy on 12 April 2011.
2. IMO "Normal Operations" as approved by ERA on 31 March 2010 of IMO's Allowable Revenue Submission for triennium 2010/11 - 2012/13.
3. Market Evolution Program ("MEP") figures as contained in Cabinet submission for MEP loan funding, approved by Treasurer on 15 December 2010.