

Price Review update

Further to the notice of its first Review of electricity prices, issued on 14 March 2006, the Board of the Energy Regulatory Office (ERO) announces that it will be publishing a number of position papers on various aspects of the calculation of KEK's allowed costs. The first paper, on the proposed allowed return (WACC – Weighted Average Cost of Capital) to be earned by KEK and KOSTT, will be available on ERO's website (www.ero-ks.org) from 31 July 2006 and written comments will be accepted until 8 August 2006.

Further position papers will be published during August 2006. Full details of the proposed revenues to be earned by KEK are expected to be available by 25 August 2006 and a public hearing on these is provisionally planned for the week of 4 September 2006. An updated implementation plan and timetable for the price review is available from ERO's website.