



Annual Report 2008

ESO Executive Board

Ivan Ayolov
Executive director



Valentina Hristova
Chair

Mitju Hristozov
Member of the Board





Dear Ladies and Gentlemen,

2008 saw the Electricity System Operator distinguish itself as a successful administrative and managerial structure within the Bulgarian EPS, fulfilling its critical duties of optimal operation and highly reliable power transmission and crossborder transit through the national grid. Other crucial tasks pursued by ESO include ensuring the interconnected operation with the other European countries' power systems and observing all the provisions set forth in the Contract on Grid Operation and Maintenance executed between ESO and NEK.

In terms of electricity market, the tradition went on to stand for transparent and non-discriminatory treatment of all stakeholders. The competitive approach by means of auctions for transmission capacity rights allocation, along with precise rules being enforced, substantiate that each market participant is given an equal chance.

The company managed to maintain sound financial stability, enabling it to execute its contractual terms of payment to producers as well as the corporate investment and maintenance programs. Pending liabilities toward suppliers, insurance funds and the national budget were covered on a regular basis and the ESO's overall financial health stood its ground.

In a nutshell, these highlights all come to explain the reputable position that ESO occupies running the interconnected operation with the neighboring TSO's and the entire UCTE community.

I believe that the already established seamless organisation, state-of-the-art asset planning, maintenance and monitoring methods, and highly devoted pool of expertise all represent a promising prerequisite for new success stories to come.

A handwritten signature in blue ink, appearing to be 'I. Ayolov', written in a cursive style.

Ivan Ayolov
Executive Director

Background

The Electricity System Operator EAD (ESO) is a sole joint stock company registered with Sofia City Court's decision No 1 of 04.01.2007, company case No 16298/2006, and incorporated into the Trade Register.

Headquarters and main office address: 51 James Bourchier blvd, 1407 Sofia, Bulgaria. ESO is established for an indefinite period under UIC 175201304 and by virtue of the VAT Act.

Sole capital owner: the National Electricity Company EAD (NEK).

Corporate capital: 57, 847, 195 BGN allocated in nominal shares with face value of 1 BGN each. The capital is paid up by NEK through contribution in kind - immovable property and assets in equal value.

The main priorities in ESO's activity focused on carrying out its obligations set out by the Energy Law pertinent to electricity system control, electric power balance and exchange market administering, as well as grid operation and maintenance under a contract executed with NEK.

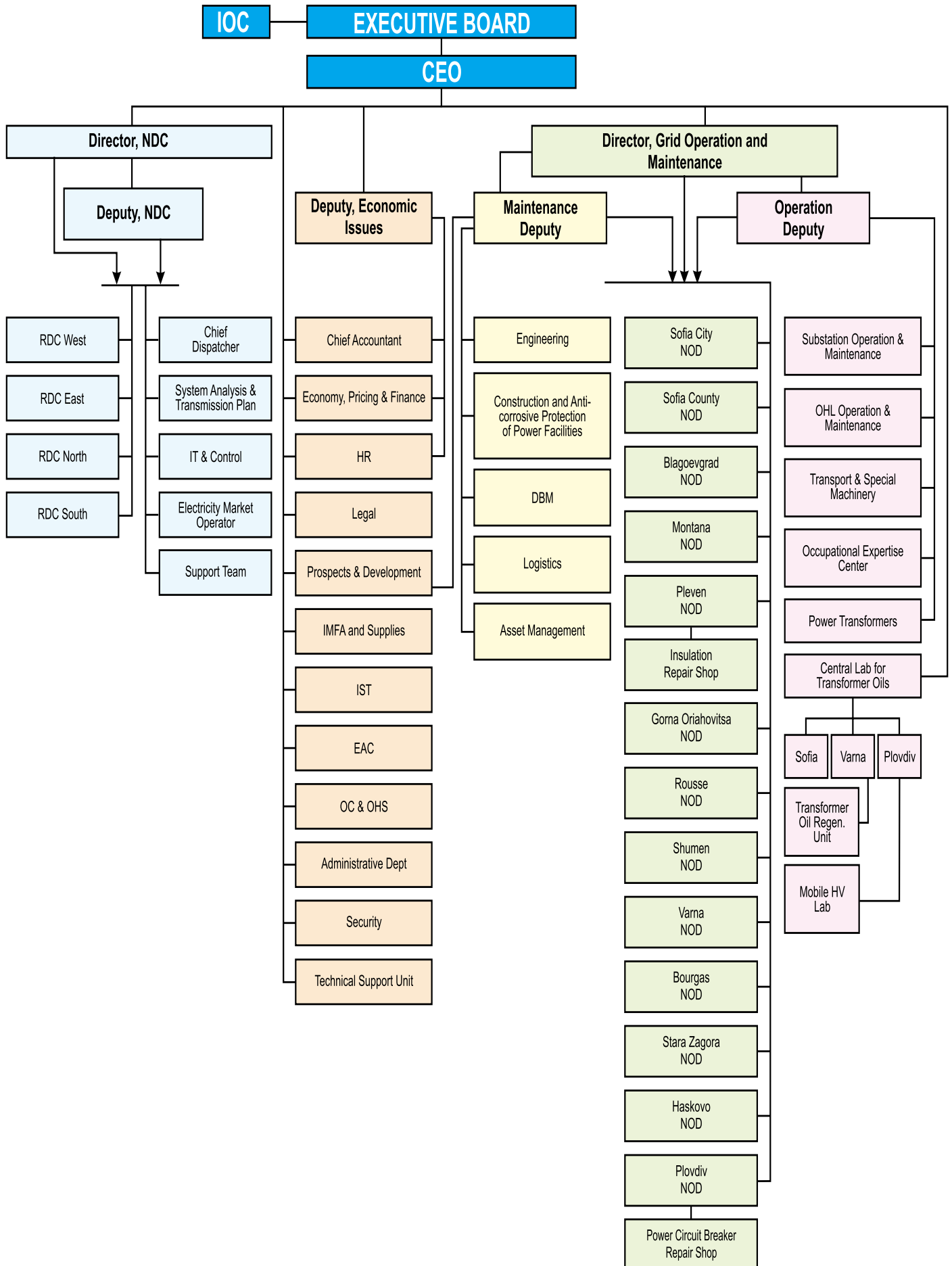
ESO's top priority is to ensure secure domestic power supply and reliable EPS operation.

The company is being run by an Executive Board consisting of three members.

The direct, routine management is performed by the Executive Director according to ESO's AoA.



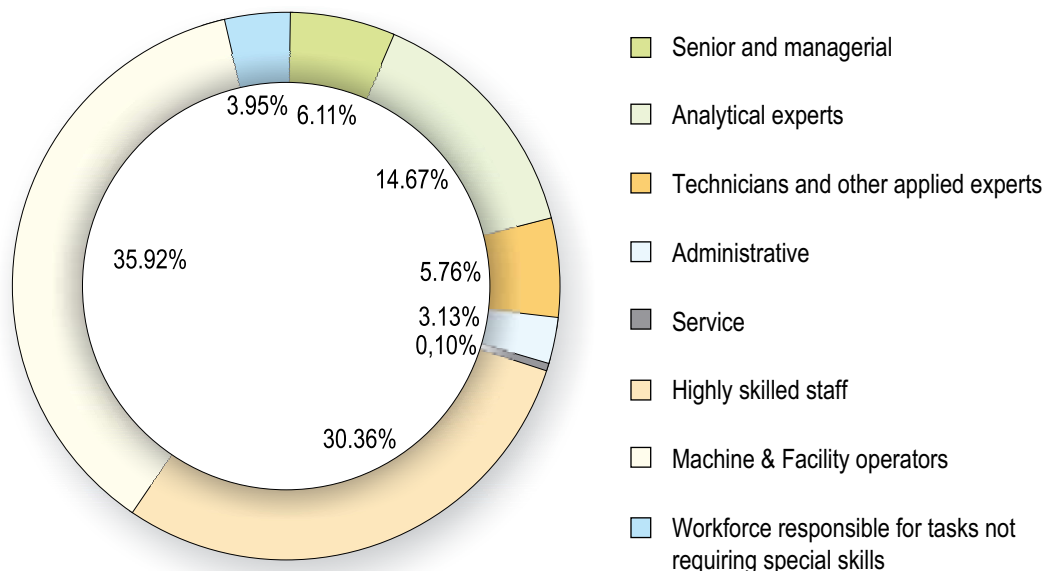
ORGANISATION STRUCTURE



Staff & Competence

Efficient HR management represents a major priority for ESO. Staff evaluation and selection is governed by the principle requiring all experts to be professional in their relevant field of expertise while being able to orientate themselves in a timely manner, concentrate and demonstrate responsibility and a level of preciseness in their work, come up with new parameters and solutions, communicate on a variety of issues, and maintain composure when facing challenges. This has resulted in having a company run by highly skilled experts positioned within its structure in a way that enables them to define not only corporate strategy but also relevant methods and means to its implementation. The 2008 payroll totals 3, 995 persons.

Staff breakdown acc to NCPP 2008



Staff qualification improvement in line with world's latest technological standards in the field is a daily priority in the HR management process.

Particular attention is paid to ensure proper professional corporate training as the company incorporates cost-intensive tangible assets whose management requires highly skilled managerial and operational personnel.

ESO has a modern organisation in place to support continuous corporate vocational training in an Occupational Expertise Center, holding detached courses in a variety of expertise areas and themes set to maintain and expand the expertise of ESO's employees and experts.

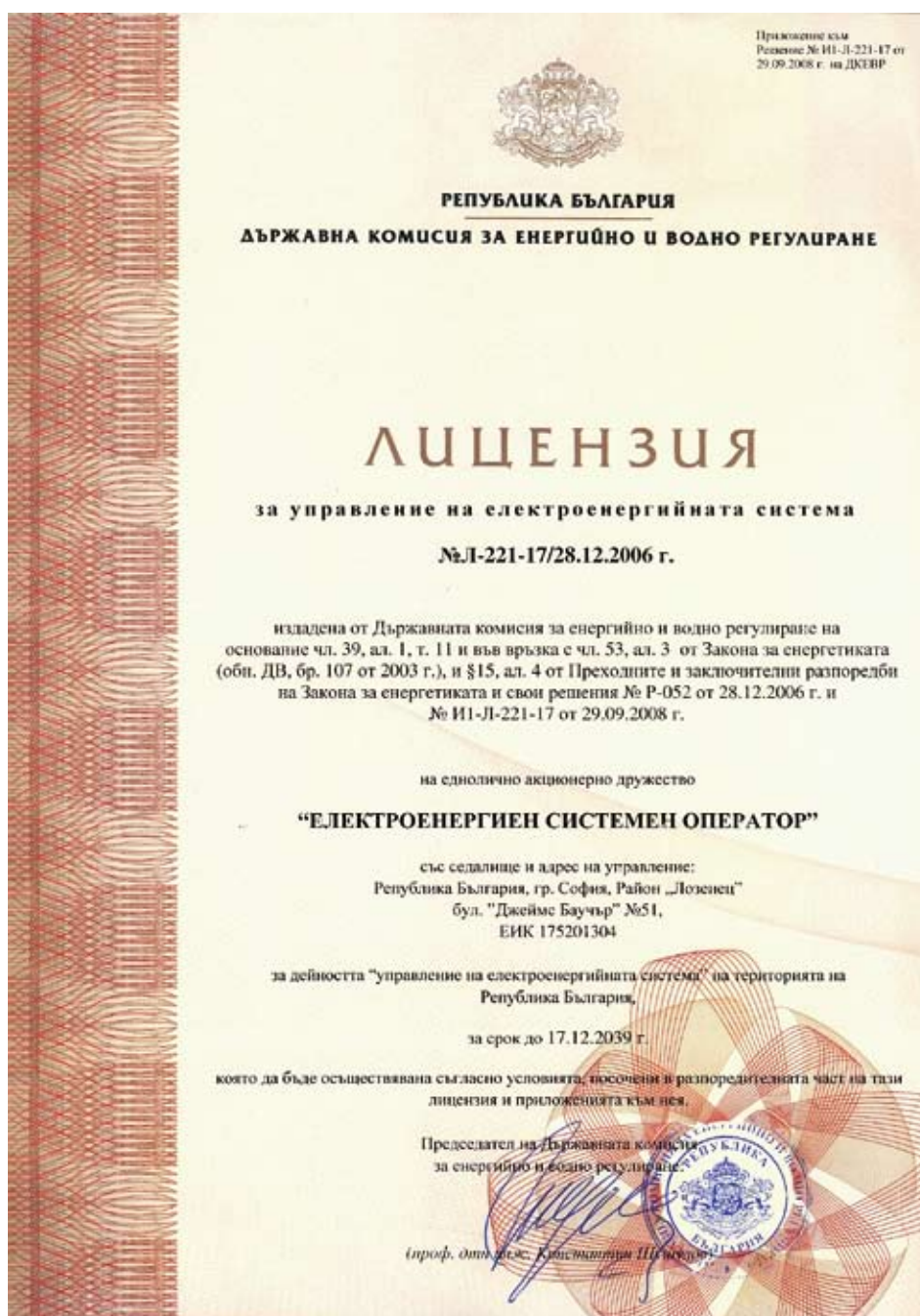
In 2008, a total of 610 persons went through such training.

Terms of Reference

ESO is primarily in charge of EPS operation. To this end, the company has been licensed for a period of 35 years under SCEWR Decision No P-052/28.12.2006.

The main tasks of ESO include:

- Power system operation control
- Electricity market management
- Power system operation and maintenance under contract with NEK.



The National Dispatching Center (NDC) as a Guarantor for EPS Reliability

ESO, through NDC, runs centralised modal EPS operation, control and coordination with a prime focus on ensuring sound and cost-efficient performance of the EPS and its interconnected operation with the power systems within the synchronous area of UCTE.

NDC has four subordinate Territorial Dispatching Centers (TDC's) covering the entire country.

Main tasks being pursued:

- Maintain the generation/load balance and schedule exchange programs with the neighbouring power systems
- Balance and exchange market administering as an integral part of the market model
- Organise auctions for ATC allocation across the interconnection lines coupling Bulgaria with Greece, Romania and Serbia via the relevant companies, thus entitling these to import/export to/from the country
- Provide technical conditions and execute schedules for transmission of agreed quantities of electricity between market actors
- Participate in defining grid access requirements and conditions for GENCO's, users and distribution facilities
- Arrange preparation of an Annual Maintenance Schedule (AMS) for the 400 kV and 220 kV transmission lines of Bulgaria
- Draft and reconcile the maintenance schedule for interconnections and some major homeland OHL's on a year-ahead basis through participation in AMS WG, which consists of SEE TSO members (In 2008, ESO was the current group governor based on the rotation principle.)

System Operation Planning

2008 saw NDC manage a number of system services for the grid users:

- Centralised operational control of the EPS, including:
 - frequency and power exchange control;
 - voltage and reactive power control;
 - operative tripping operations to modify grid patterns;
 - coordination of interconnected operation between the EPS of Bulgaria and UCTE
- Emergency control operation
- Recover the stability of interconnected operation after system disturbances
- Provide equal access for the transmission system users in conformity with the pertinent power quality criteria
- Administer both the electricity transactions, which are governed by regulated and freely negotiated prices, and the balancing market

To deliver system services as outlined above, the purchase of auxiliary services provided by grid users is being organised:

- Primary frequency control reserve
- Secondary frequency and power exchange control reserve
- Rotating and 'cold' tertiary control reserve
- Available reactive power margin for grid voltage control
- Grid user participation in the Defence Plan (DP) and the Emergency System Recovery Plan (ESRP)

In order to guarantee the national transmission system's reliability, ESO organises and conducts recurrent system tests to check auxiliary services as well as DP and ESRP deployment. Per se, these represent EPS reliability tests in real conditions, meaning the results thereof are crucial for security assessment purposes.

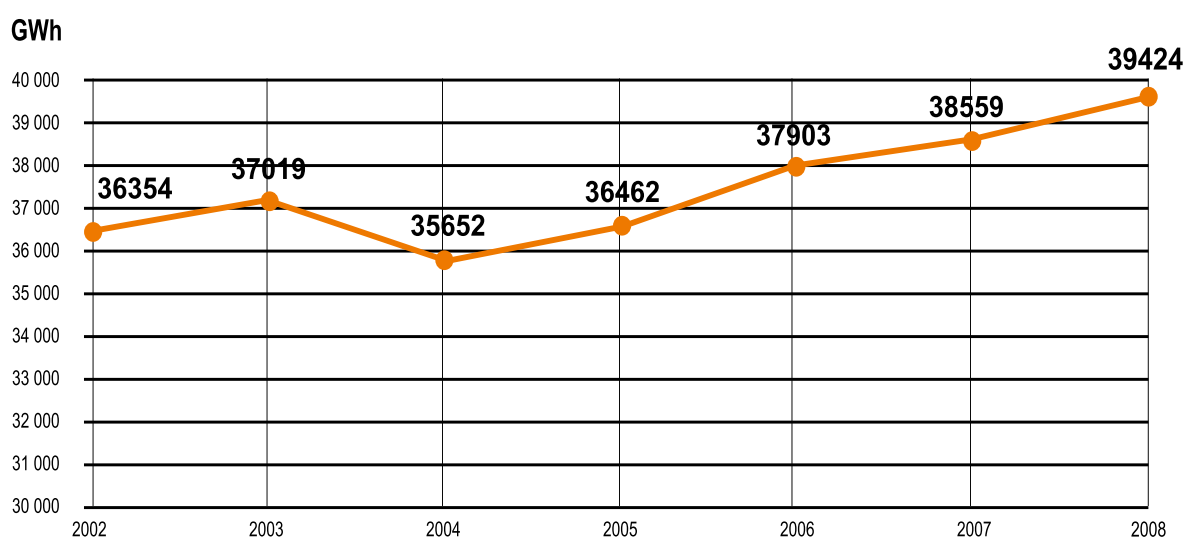
In October 2008, unit 4 of Varna TPP was tested for 'island' mode operation and the results were rather positive. In the course of this emergency withstand trial, an 'island' comprising the 110 kV Varna West s/s - Dobrudzha s/s ring was operationally separated and the automatic switching from generation set active power control to speed control was put to test. This took place in a step-by-step manner with generation-versus-island load surplus of, correspondingly, 10 MW, 20 MW, 40 MW, 60 MW and 80 MW. During all tests, the users within the 'island' were practically unaware of any frequency or voltage deviation.

EPS of the Republic of Bulgaria

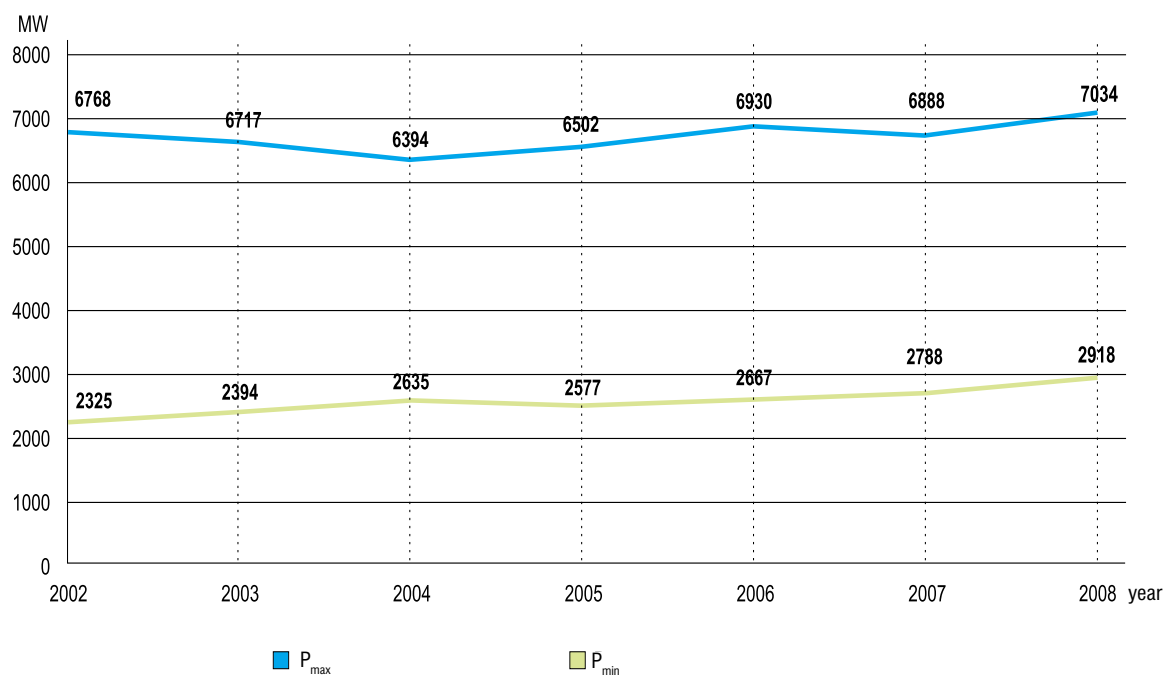
Electricity Consumption

Since 2004, there has been a continuous upward trend of annual electricity consumption.

Gross annual electricity consumption



Absolute annual load extremes



Generation Capacities

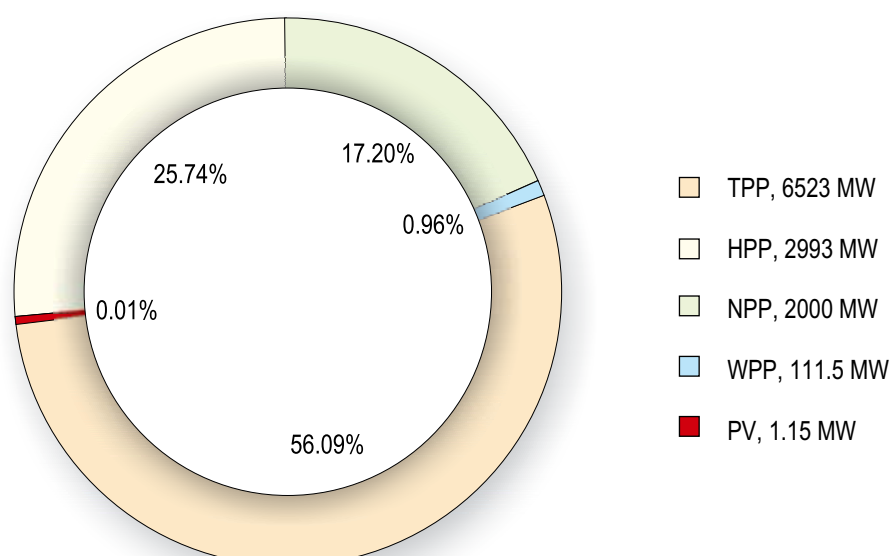
Domestic electricity production is based on two main pillars:

- lignite-fueled TPPs;
- Kozloduy NPP

Installed generation capacities

NPP	2000 MW
TPP	6523 MW
Lignite	3519 MW
Black and brown coal	1998 MW
Gas	1006 MW
HPP	2993 MW
Reservoir	2092 MW
Current water	901 MW
Wind	111.5 MW
Photovoltaic	1.15 MW

Distribution of installed capacity depending on primary energy source, MW, %

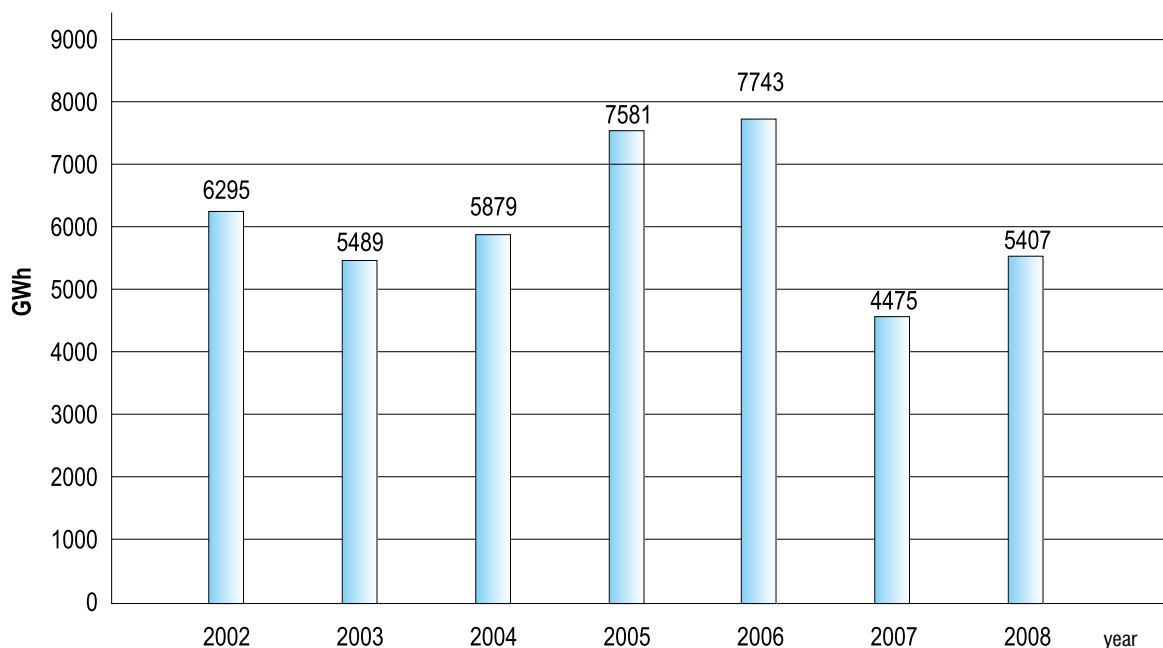


Interconnections

The EPS of Bulgaria is strongly interconnected with its neighbouring countries. These tie-lines support reliable synchronous operation within UCTE while providing the necessary technical environment for large quantities of power exchange, thus enabling the country to be active at both local and European market levels.

Voltage, kV	OHL	Neighbour country	Bulgarian S/S	Neighbour S/S	Length, km	UCTE intercon.
400	Druzha	Romania	Dobrudzha	Isaccea	230.6	Yes
400	Tantareni 1	Romania	Kozloduy	Tantareni	115.7	Yes
400	Tantareni 2	Romania	Kozloduy	Tantareni	115.7	Yes
400	Nišava	Serbia	Sofia West	Niš	122.6	Yes
400	Ruen	FYRM	Crvena Mogila	Dubrovo	190.8	Yes
400	Pirin	Greece	Blagoevgrad	Thessaloniki	174.7	Yes
400	Sakar	Turkey	Maritsa East 3	Hamitabat	150.0	No
400	Edime	Turkey	Maritsa East 3	Hamitabat	158.6	No
110	Vrska Cuka	Serbia	Kula	Zajecar	21.0	No
110	Erma	Serbia	Breznik	Vrla	64.1	No
110	Saracin	FYRM	Skakavitsa	Kriva Palanka	12.7	No
110	Belasitsa	FYRM	Petrich	Sushitsa	49.3	No
400		Greece	Maritsa East 1	Nea Santa	140.0	Project

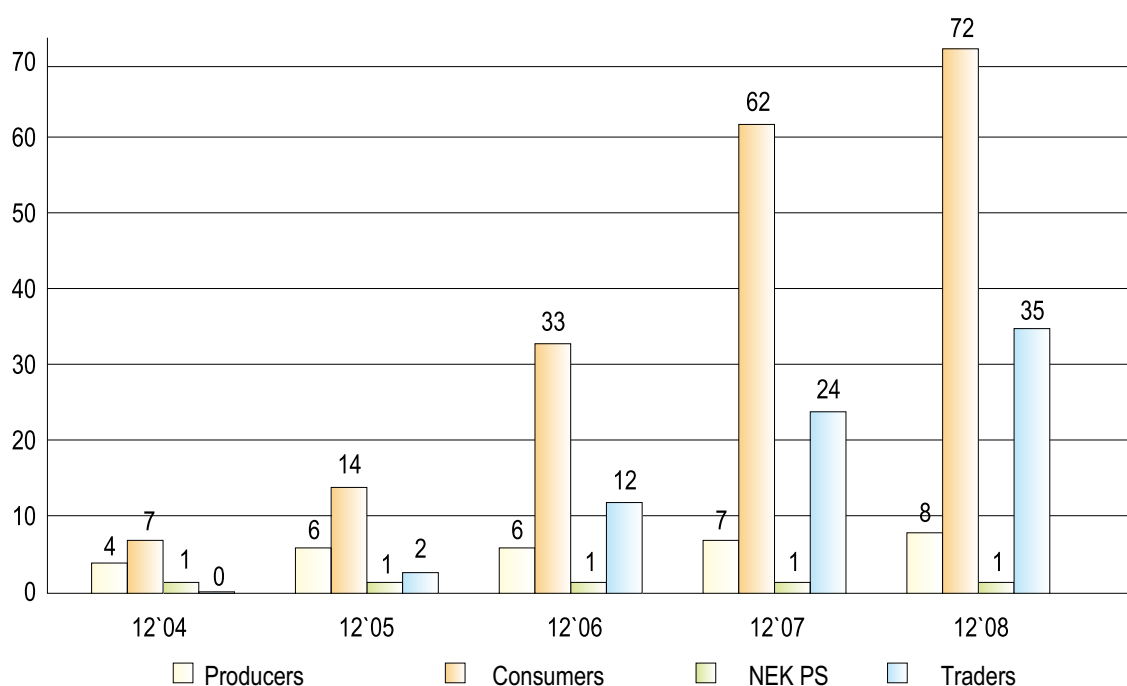
Annual electricity export



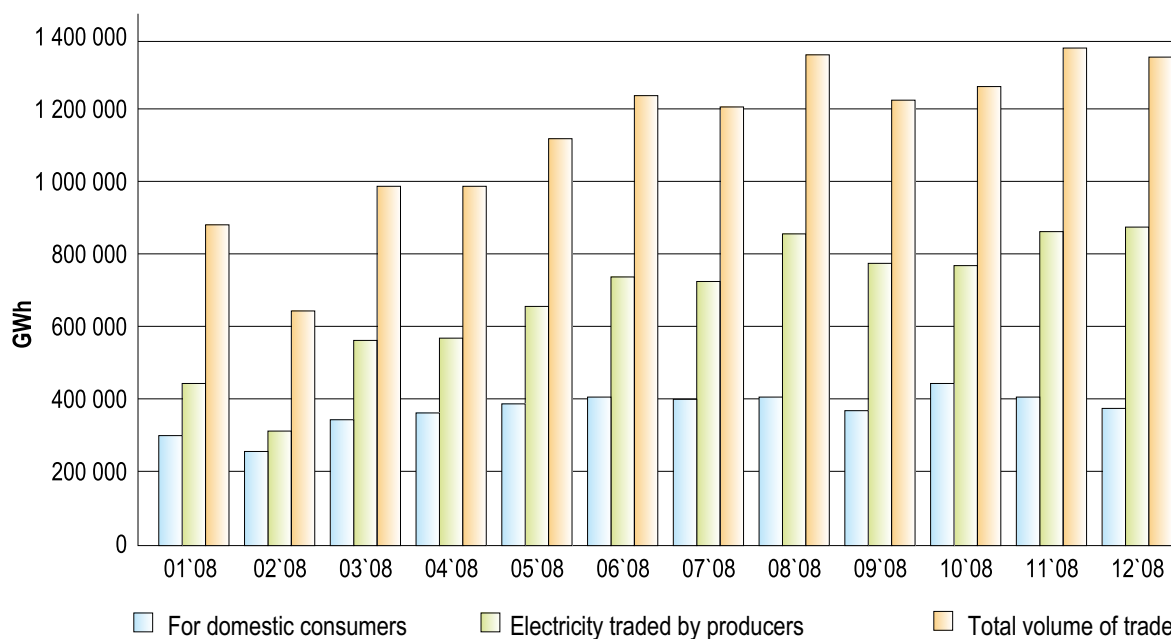
Power Market Administration

Electricity producers and traders alike were given new opportunities in 2008. This has transpired into a substantial increase in their market activity. On the other hand, nineteen industrial consumers withdrew from market and turned back to utility supplier.

Registered market actors



Traded volumes at freely negotiated prices



2008 closed with more than 88% increase in all types of transactions registered by ESO, with quantities of 13 731 244 MWh as opposed to 7 304 886 MWh y-o-y. The total volume of energy requested by end users was 4 552 084 MWh versus 3 633 067 MWh y-o-y. Sales by producers were also up 91.6% compared to 2007.

Producers on the Market

Kozloduy NPP continued its market share domination, albeit down to 68.16 % from the 2007 level of 90.56 %. This was due to the emergence of new producers and an increase in the share of Maritsa East 2 TPP from 2.21 % to 14.60%.

For the producers being active in transactions at freely negotiated prices, the ratio between net electricity generated and delivered to market is shown on the next table. The highest relative share of net production placed on the market goes to Deven Plc (73.98 %), followed by Rousse TPP, unit 4 (60.76%), and Energo-pro, Bistritsa village cascade (57.60%).

No	PRODUCERS	GENERATION MWh	MARKET PLACEMENT MWh	%
1	Kozloduy NPP	14 741 540	5 635 913	38.23
2	Maritsa 3 TPP	506 341	41 375	8.17
3	Varna TPP	3 295 229	655 926	19.91
4	Maritsa East 2 TPP	7 152 506	1 206 957	16.87
5	Bobov dol TPP	598 772	79 930	13.35
6	Unit 4, Rousse TPP	627 421	381 230	60.76
7	DEVEN	268 711	198 801	73.98
8	Energo-pro, Bistritsa cascade	99 603	57 371	57.60
9	Energo-pro, Petrohan cascade	22 423	11 334	50.55

Power Unbalances

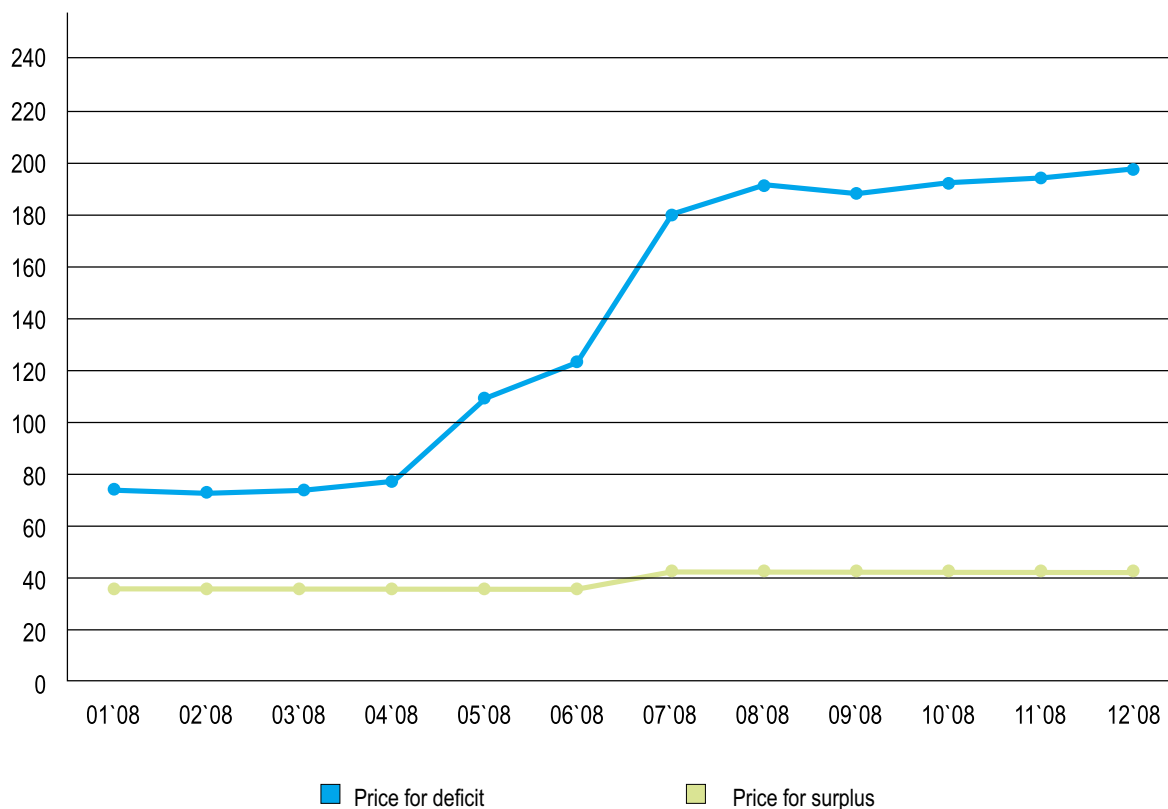
The power unbalances in 2008 were on a downward trend. This is because the one-week period for schedule notification and registration continued to apply, preventing the execution of transactions close to the actual delivery day. In 2008, NEK was the sole power supplier in its capacity of public supplier.

Unbalance distribution by types of market actors

Item	Producers	Consumers	Traders	Total
Power surplus, MWh, 2008	111 294	243 556	1 140	355 990
Power surplus, MWh, 2007	0	168 593	5 824	174 417
Power deficit, MWh, 2008	35 943	102 418	351	138 712
Power deficit, MWh, 2007	10 460	87 704	617	98 781

Balancing Energy Prices

Monthly average of balancing energy prices, BGN/MWh



Expectations and Prospects



ESO plays a leading role in drafting and reconciliation of the legal framework governing market operation. The company is working on rolling out a web-based platform for market administration under bilateral contracts and balancing market management, as well as on a separate tool for bids processing and clearing prices definition in the cross-border transmission capacity allocation auctions.

Grid Operation & Maintenance Division (GOM)

The GOM structure incorporates Operation and Maintenance sections with 13 Network Operation Districts (NOD) and 15 Network Operation Subdistricts (NOS) covering the entire territory of Bulgaria.

This structure is responsible for grid assets operation and maintenance as follows:

- OHL's with a total length of 14 752 m, including 750 kV - 85 km, 400 kV - 2257 km, 220 kV - 2792 km, and 110 kV - 9618 km;
- 290 substations, including one 750/400 kV, six 400/220/110 kV, seven 400/110 kV, one 400 kV hub s/s, eighteen 220/110 kV, and 257 at 110/MV level

In carrying out its tasks, GOM is primarily focused on:

- regular maintenance of transmission lines and HV/MV substation facilities;
- periodic technical state inspections;
- electrical measurements and diagnostics on HV and MV systems;
- occupational health & safety and fire protection

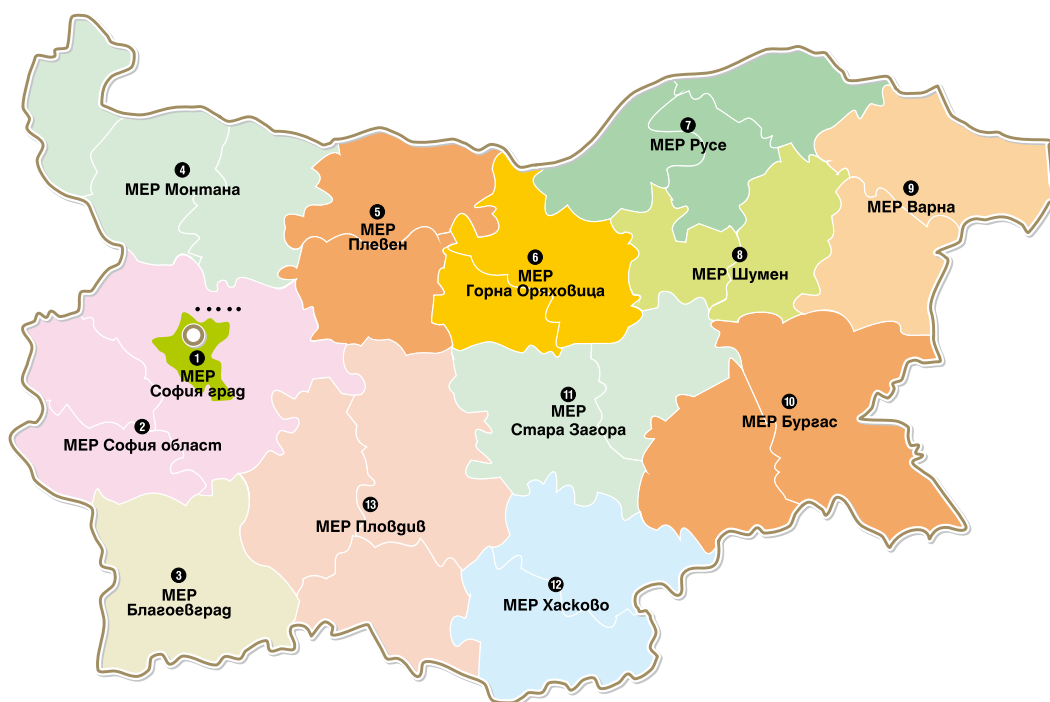
Overall priorities being persistently pursued include:

- fail-safe and cost-efficient operation of the equipment under service;
- highest output at lowest upkeep expense, i.e. value for money

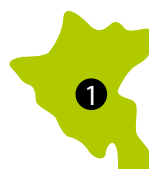
As a synchronously interconnected member of UCTE and main partner in the Balkan region, ESO is constantly striving to streamline transmission as well as asset management cost effectiveness by the introduction and use of cutting-edge planning, maintenance and monitoring tools. The company has put in place and runs dedicated asset management (SAP/R3) and operational dispatch control (SCADA) system. The Geographic Information System (GIS) is under development. These platforms have a direct positive impact on GOM having increased its performance.

The successful achievement of the most critical objectives in 2008 toward longer service life and lower maintenance costs is owing to the launch of high-end technology and methods for planning, maintenance and monitoring, coupled with efficient management.

Network Operation Districts (NOD's)



- 1 Sofia City NOD**
Head: Chavdar Gergov
Substations: 15



- 2 Sofia County NOD**
Head: Dimitar Dimitrov
Substations: 29



- 3 Blagoevgrad NOD**
Head: Vasil Kamburov
Substations: 12



- 4 Montana NOD**
 Head: Gavril Gavrilov
 Substations: 25
 OHL's: 1712 km



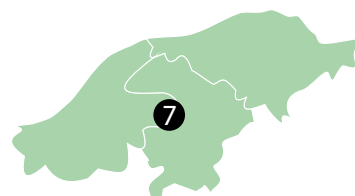
- 5 Pleven NOD**
 Head: Ivan Yotov
 Substations: 23
 OHL's: 1097 km



- 6 Gorna Oryahovitsa NOD**
 Head: Yordan Likomanov
 Substations: 16
 OHL's: 877 km



- 7 Rousse NOD**
 Head: Emil Kostadinov
 Substations: 15
 OHL's: 822 km



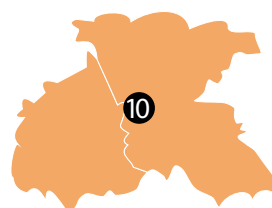
- 8 Shumen NOD**
 Head: Diyan Cholakov
 Substations: 15
 OHL's: 707 km



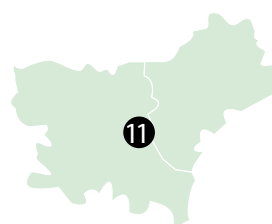
- 9 Varna NOD**
 Head: Totyu Bonev
 Substations: 22
 OHL's: 1140 km



- 10** **Bourgas NOD**
 Head: Stoyan Stoyanov
 Substations: 30
 OHL's: 1208 km



- 11** **Stara Zagora NOD**
 Head: Georgi Simov
 Substations: 27
 OHL's: 1140 km



- 12** **Haskovo NOD**
 Head: Tosho Todorov
 Substations: 20
 OHL's: 1001 km



- 13** **Plovdiv NOD**
 Head: Nikola Alimanski
 Substations: 41
 OHL's: 1602 km



Grid Refurbishment, Upkeep and Maintenance

Upgrade

Overhaul of the digital relay protection at 220 kV and 400 kV level

In 2008, the transition from electromechanical to digital relay protection of the 220 kV and 400 kV grids went on under the 'Energia 2' Project launched by the end of 2007.

That process is now complete for Uzundzhovo s/s, Balkan s/s, Peshtera HPP, Teshel HPP, Aleko s/s, and Gorna Oryahovitsa s/s. Several sites (out of 34 in total) have new relay protection systems installed on some of the facilities.

It is foreseen that the replacement will be over in a couple years to provide the 220 kV and 400 kV with a modern digital protection array featuring full-fledged functionality, short response time and a level reliability that stands for more secure operation of the Bulgarian transmission network.

IT and data environment

The unique mission and operational tasks of ESO require highly specialised information tools to pull them off in a way that meets the exceptionally high EPS fail-safe operation standards. Such data environment is in place based on special IT systems supporting efficient power system control and electricity market administration, grid maintenance and integration within the European TSO structures.

ESO builds its data environment on the following principles:

- Integration of different IT systems and consolidation of commercial and technological data;
- High failure tolerance;
- Data security and protection;
- Redundancy and recoverability by means of back-up systems & centers and recovery programs;
- Standards - observing mandatory internal and external standards;

In supporting its functions, ESO deploys a number of ICT solutions such as:

- SCADA for operational dispatch purposes;
- A set of special technological systems;

- Telemeasurement of watt-hour meter readings;
- Central data warehouse for measured energy;
- Power market service platform;
- Security and redundancy solutions;
- Data disclosure and publication tools;
- Geographic Information Systems (GIS);
- Communication systems

IT progress

The 2008 IT roll-outs of ESO include:

- Development of the technological IT systems supporting the EPS control and grid maintenance process;
- Development of the IT systems for power market servicing and provision of data transparency and equal data access for all market actors;
- Improvement of data security and protection

Project highlights 2008

- The **Dispatcher Request Information System** automates the process of handling requests related to maintenance and failure of transmission facilities run by the TSO. The paper media was replaced by electronic means and the NDC and NOD operational staff's decisions are now ID-traceable and verified by digital certificates and smartcards.
- **A central SW system with data on energy values measured by the market actors.** Its deployment allowed to properly address a critical task that TSO faces as an independent body in the EPS control process, which is to store and ensure accuracy of a massive data set.
- The **Geographic Information System (GIS)** being currently introduced by ESO helps streamline grid operation and maintenance processes. The project aim is to develop and implement a TSO-tailored IT system and feed it in with data on the Bulgarian grid facilities and equipment. Last year was one of an intensive geodesic survey and mapping of HV substations and OHL's.
- The ESO corporate web portal was further refined to deliver an added-value of transparency in both domestic and international aspects. The publication of cross-border transmission capacity auctions marked a new milestone of power market evolution. In 2008, this effort was carried on to expand the scope of information being published as well as to provide authorised users with access to internal IT platforms.

Transmission Network Service

2008 built on an established tradition of high responsibility and quality when it comes to organising and conducting scheduled and emergency grid repairs, preventive maintenance and service.

Main OHL overhaul activities include:

- 52 km of transmission lines repaired by means of new towers and conductors;
- replacement of:
 - 130, 2 km of galvanised steel lighting cables of type C50 and C70
 - tensioners on 260 towers
 - grounding wires on 324 towers
 - 6 200 insulation units
- installation of:
 - 552 phase-to-phase spacing insulators
 - 275.3 km of lighting cables with integrated optic fibres

Main substation repair activities include the replacement of:

- 19 HV circuit breakers
- 152 HV current transformers
- 103 HV voltage transformers
- 131 HV surge arrestors
- 351 MV circuit breakers
- 422 MV current transformers
- 258 MV voltage transformers
- 1246 MV surge arrestors
- 881 sets of MV digital relay protection (DRP) and 263 sets of HV DRP
- 135 automatic voltage controllers
- 90 control cabinets
- 24 ohmic resistance units
- 30 accumulator batteries and chargers

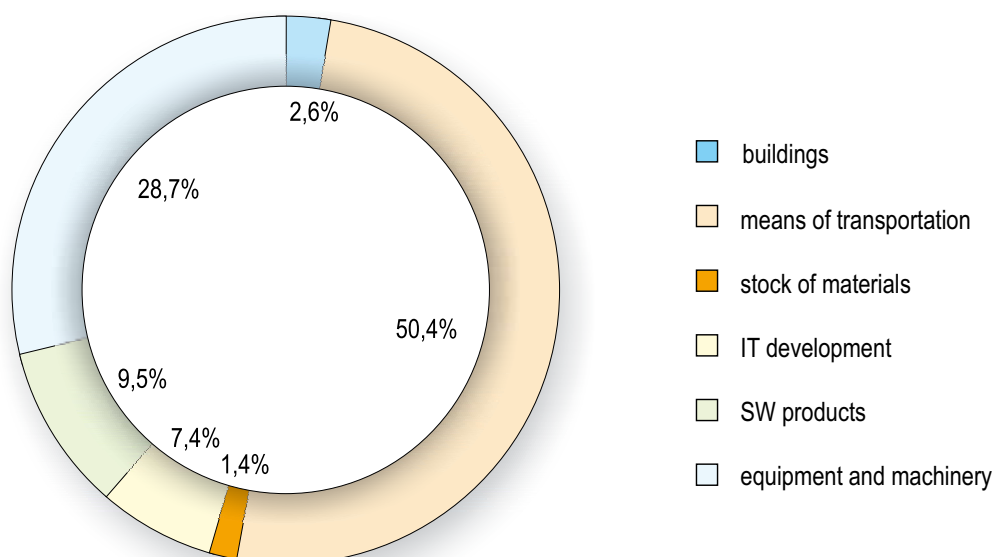
Investment Effort

ESO pursues several investment targets set to:

- improve grid operation and maintenance quality under the Contract on GOM between NEK and ESO;
- support ICT security and reliability;
- maintain construction facilities belonging to ESO;
- replace outdated and worn-out assets and special machinery;
- procure advanced equipment and instruments;
- boost EPS operational control efficiency and meet the UCTE standards for synchronously interconnected operation through deployment and use of ICT in real time;
- introduce and employ reliable technology that enables streamlined handling of transactions on the electricity, balancing energy and cross-border transmission capacity allocation markets.

Last year's investment costs borne by ESO run up to 15, 552 k BGN

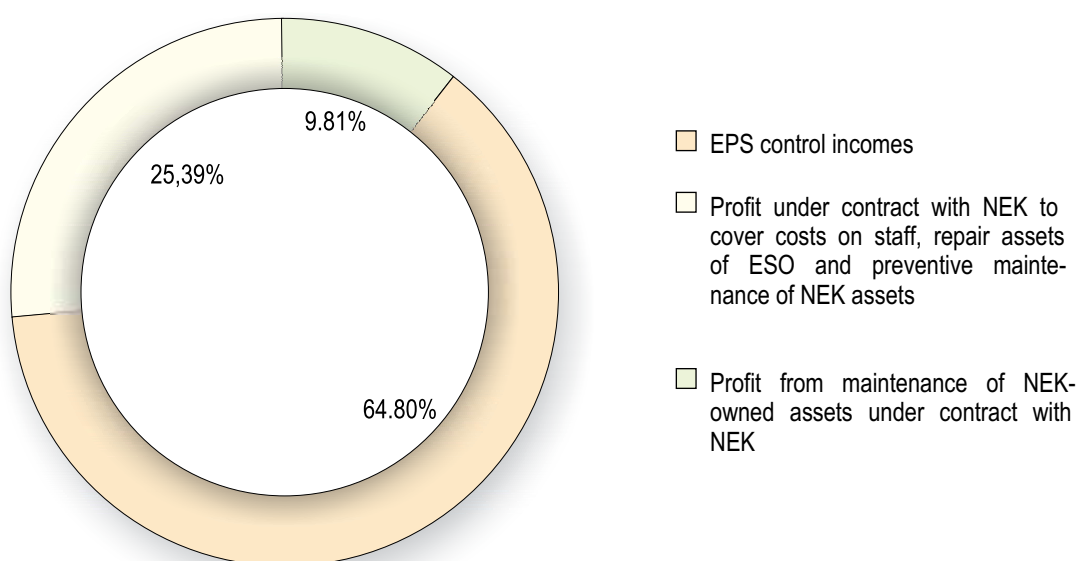
- buildings: 408.8 k BGN or 2.6 %
- means of transportation: 7,836.3 k BGN or 50.4 %
- stock of materials: 223.4 k BGN or 1.4 %
- IT development: 1,146.7 k BGN or 7.4 %
- SW products: 1, 471.3 k BGN or 9.5 %
- equipment and machinery: 4, 465.5 k BGN or 28.7 %



Sales Income

Corporate sales income totals 439, 828 k BGN. This breaks down to:

- EPS control: 284, 997 k BGN;
- flat rate contract with NEK: 111, 669 k BGN;
- variable rate contract with NEK: 43, 162 k BGN



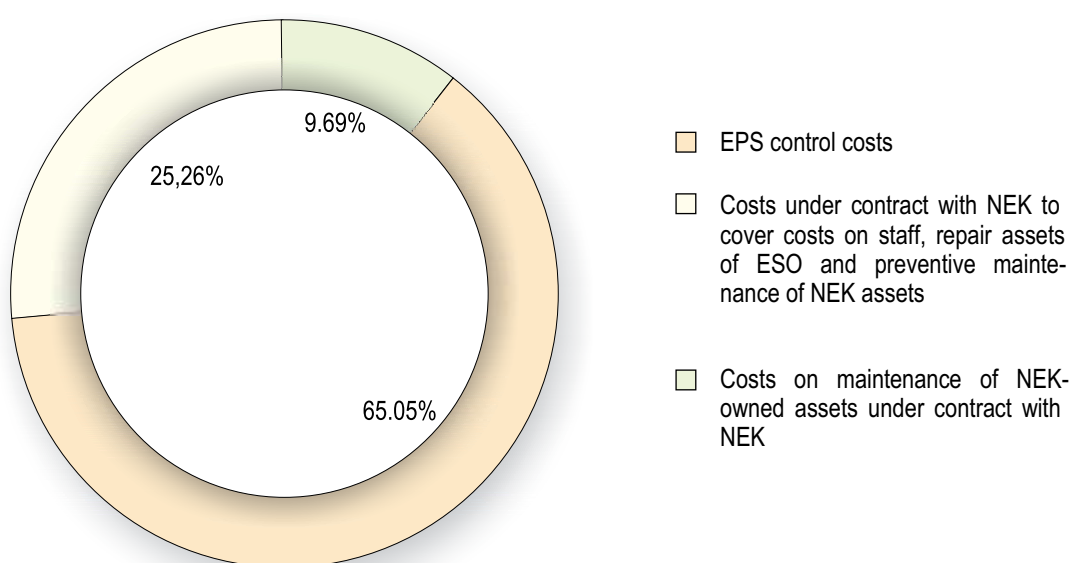
Other operational incomes stand at 13, 242 k BGN, including from:

- reactive power: 6, 511 k BGN;
- short-term asset sales: 23 k BGN;
- default penalties due to non-fulfillment of contract obligations: 5, 050 k BGN;
- long-term asset acquisition funding: 457 k BGN;
- auxiliary activities, loans, insurance compensations and fixed asset sales: 1, 201 k BGN

Operational Costs

Activity-related costs amount to 445,364 k BGN, which includes:

- EPS control: 289,702 k BGN;
- flat rate contract with NEK: 112,500 k BGN;
- variable rate contract with NEK: 43,162 k BGN



Financial Outcome

For the reference period, the company has booked EBT of 7,300 k BGN and the net earnings amount to 6,567 k BGN.

The gross loss deriving from EPS operation amounts to 4,705 k BGN.

The gross profit from flat rate contracted with NEK is 217 k BGN.

Balance Sheet

Balance sheet table by 31.12.2008, k BGN

Assets	2008	2007	Liabilities	2008	2007
Non-current assets	53 384	49 551	Equity	64 911	58 366
Property, equipment and machinery	47 299	43 272	Capital stock	57 847	57 847
Intangibles	4 369	4 915	Reserves	943	
Investment	1 716	1 364	Financial balance	6 121	519
Other long-term receivables					
Current assets	63 586	47 025	Non-current liabilities	52 059	38 210
Stock of materials	16 267	8 788	Bank loans due		
Trade-related and other receivables	41 378	28 393	Tax arrears	1 753	2 018
Cash assets	5 941	9 844	Others	50 306	36 192
			Current liabilities		
ASSETS TOTAL	116 970	96 576	LIABILITIES TOTAL	116 970	96 576

Profit Table

01.01.-31.12.2008, k BGN

	2008	2007
Sales income	440 035	346 135
Other operational income	13 242	9 581
Operational cost	(445 673)	(345 063)
Net financial income/cost	(304)	(171)
EBT	7 300	10 482
Tax expense	(733)	(1 049)
Net profit	6 567	9 433

Composite Financial Analysis

The corporate financial index analysis is based on the overall financial indices and the 2007 and 2008 account statements. It demonstrates a sound financial status.

Indices	2007	2008
Profitability indices		
Sales income profitability index	0.0264	0.0145
Equity capital profitability index	0.1616	0.1012
Profitability index of liabilities	0.2469	0.1261
Asset capitalization index	0.0977	0.0561
Efficiency indices		
Cost efficiency rate	1.0271	1.0147
Incomes efficiency rate	0.9736	0.9855
Liquidity indices		
Total liquidity rate	1.4864	1.3812
Quick liquidity rate	1.2052	1.0213
Instant liquidity rate	1.2052	1.0213
Absolute liquidity rate	0.3150	0.1315
Financial autonomy indices		
Rate of solvency	1.5275	1.2469
Rate of indebtedness	0.6547	0.8020
Fixed asset funding rate	1.3091	1.3350
Current asset funding rate	1.3795	1.1208

International Contacts and Cooperation

ESO is a UCTE member company coordinating the Bulgarian EPS interconnected operation within the European TSOs' synchronous area and supporting its security and quality.

In September 2007, ESO became a full member of ETSO. This organisation was set up to meet the necessity of providing more favourable conditions for power market evolvement, focusing on coordination and development of mutually beneficial settlement rules designed to compensate TSO's transmission-related costs.

Building on this, ESO is yielding successful effort to facilitate the development of the domestic electricity market and its integration at regional and European level.

ESO representatives participate in the UCTE General Assembly where important decisions are made concerning both the technical standards and quality criteria for interconnected operation and the relevant compliance monitoring.

ESO experts partake in the UCTE Operation & Security, System Development, Coordinated Planning, and Compliance Monitoring WG's, while also being active in the implementation of synchronous area extension projects (Turkish EPS and IPS/UPS - UCTE system coupling).

In 2008, ESO was honoured to host a number of high-level international and global events such as:

- **A Black Sea Regional Transmission Planning Project Meeting** involving experts from USEA (USA), NPC Ukrenergo (Ukraine), Energy Institute (Armenia), GSE (Georgia), TEİAŞ (Turkey), Moldelectrica (Moldova), SO UPS (Russia), EMS (Serbia), and Transelectrica (Romania).



- **A UCTE WG Data Meeting** attended by experts from UCTE (Belgium), Elia (Belgium), MAVIR (Hungary), RTE (France), TenneT (the Netherlands), PSE Operator (Poland), Swissgrid AG (Switzerland), Transelectrica (Romania), CEPS (the Czech Republic), Red Eléctrica (Spain), VET GmbH (Germany), EMS (Serbia), BDEW (Germany), HEP (Croatia), HTSO (Greece), Verbund APG (Austria).

- **The 9th regular meeting of UCTE System Stability TF** attended by representatives of E.ON Netz, ELES, Elia, EnBW Transportnetze AG, ESO, HEP, HTSO, MAVIR, PSE Operator, REE, RTE, RWE TSO, SEPS, Swissgrid, Terna, Transelectrica, UTCE, VET.

At the same time, there were a lot of meetings with neighbours and partners from the Balkan region to deliberate on routine annual interconnection line tests, annual tie-line meter inspections, and to share experience, discuss and agree on current reserve, services and market operation related issues.

The prestigious position of ESO in both domestic and international terms is determined not only by its proven reputation of a reliable counterpart in the Balkan region and Europe in difficult power situations, but also by its capacity to provide good communication when interacting with foreign partners.



Under Media Scrutiny

In the real world, millions of events happen every day but few attract media attention. And it is a very slim likelihood that some of them would also turn out to be news about specific organisation, especially if it doesn't play any significant role in the economical, political and social life. Along those lines, the numerous media publications that came out in 2008 to discuss ESO's activities represent a substantial suggestion of its ever growing social role. It was as early as the dawn of 2008 that ESO started an active interaction with journalist community on occasion of the gas dispute-triggered supply shortages and the electricity export ban imposed by Petar Dimitrov, the Minister of Economy and Energy. This was covered by high-profile local newspapers such as 'Standart', '24 Hours', 'Novinar', 'Dnevnik', 'Trud', 'Pari', 'Sega', 'Kapital', and '168 Hours'. Interviews with Mr. Ivan Ayolov, ESO Executive Director, were broadcast by bTV, Kanal 1, and FOCUS Information Agency.

Great media interest was also generated at that time around the energy crisis in Kosovo and in particular the possibility of Bulgarian electricity being exported to Kosovo. Interviews on that issue were given by Mr. Ivan Ayolov and Mr. Bozhidar Pavlov, Deputy Director of the National Dispatching Center.

In early July, a disturbance occurred on the transmission network of Slanchev bryag substation. Details on its reasons and the fast recovery of supply were published on the FOCUS Agency website and by the newspapers 'Trud', 'Standart', 'Klasa', 'Sega', 'Monitor', 'Kapital', 'Novinar', and the BGNES Information Agency.

An Interview with Mr. Ivan Ayolov about the power consumption in the summer period and what caused the disturbance at Slanchev bryag substation went on the bTV air. As usual, the media-most-talked-about matters also in summer 2008 were the summer load highs situation and the ESO's preparedness to respond.





'24 Hours' published an interview with Mr. Ivan Ayolov, entitled '242 Thousand Air-Cons Gorging Power in the Summer Scorch'. Of course, no critical situations closed in, owing to the management having precisely planned capacities and thanks to the expertise of the dispatchers. They also played a very important role in reacting to disturbances and accidents across the grid. One such instance was the fault at Krasno selo substation on 9 August that led to a short blackout in part of Sofia. A press release was issued by the corporate management explaining in detail the cause of that disturbance.

Bulgarian as well as foreign media attention was given to the commissioning on 7 November of the new 400 kV Stip – Chervena mogila interconnection line coupling the power systems of Bulgaria and FYRM.

The domestic market liberalisation topic was followed by the newspapers 'Pari' and 'Energia i Ekologia'. They published interviews with Mr. Ivan Ayolov and Mrs. Viktoria Popovska. An interview with Mr. Ivan Ayolov about the power consumption during the Christmas and New Year holidays was also published in the latest 2008 edition of '24 Hours'. And in the last hours of 2008, the Focus Agency quoted Ivan Ayolov on what caused the OHL failure on 31 December that cut the power supply to some villages in Apriltsi, District of Lovech. Thus, we said farewell to 2008 and welcomed the New Year with a level of responsibility!

Acronym Key

AoA	Articles of Association
ATC	Available Transfer Capacity
DBM	Database Maintenance
EAC	External Affairs and Cooperation
EPS	Electric Power System
ESO	Electricity System Operator EAD
ETSO	European Transmission System Operators
GENCO	Generation Company
GOM	Grid Operation and Maintenance
HPP	Hydro Power Plant
HR	Human Resources
HV	High Voltage
ICT	Information and Communication Technology
IMFA	Investment & Maintenance Forecast and Analysis
IOC	Internal Audit and Control
IST	Information Systems and Technology
IT	Information Technology
MV	Medium Voltage
NDC	National Dispatching Center
NEK PS	National Electricity Company-Public Supplier
NEK	National Electricity Company
NOD	Network Operation District
NPP	Nuclear Power Plant
OC & OHS	Operation Control & Occupational Health and Safety
OHL	Overhead Line
SCEWR	State Commission for Energy and Water Regulation
TDC	Territorial Dispatching Center
TPP	Thermal Power Plant
UCTE	Union for Coordination of the Transmission of Electricity
WPP	Wind Power Plant