

Annual Report 2003

opcom

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Message from CEO

The three special features of OPCOM activity in 2003 are represented by the concern regarding the institutional strengthening, the achievement of its role in the energy market and the redefinition of the development strategy in context of the legislative modifications represented by the adoption of the “Energy Act”, the “Road Map for energy sector of Romania” as well as the adjustment of the secondary legislation. OPCOM development was carried out under the efforts to accomplish the permanent charges resulted from the License conditions granted by the Regulatory Authority for electricity market administration, in the present regulatory framework, as well as to assure the prerequisite for the implementation of the new trading platforms.

The concept of the new trading platform was defined during first months of the 2003, by evolving the “Road Map for energy sector of Romania” in conjunction with the opportunities offered by the funding of the main donors involved in development of the Regional South-East European Electricity Market, European Union Commission and World Bank. New trading platform includes rules and regulations that define a new framework for energy trade with application in the beginning of 2005, as well as necessary logistic for the administration of this new regulatory framework.

As participant in the designing of the new trading platform and of the “Road Map for energy sector of Romania”, OPCOM followed in 2003 the stages of defining and approval of the terms of reference for the projects financed by World Bank, as well as for the projects included in the PHARE 2001-2002 programmes and contributed to the fulfilment of the tendering processes related to the project dedicated to financial market definition (in 2003) and also for the technical assistance as per implementation (April 2004). In May 2004 the contracts for commercial launching of OPCOM Power Exchange and for the implementation of the balancing market by the System Operator were signed within the Electricity Market Project financed by the World Bank. In this project, a core component consists in the preparation of the New Commercial Code for the wholesale electricity market on which development OPCOM accorded a significant support to the Regulatory Authority and Kema International B.V. OPCOM sustains a fast approval of this New Commercial Code as a component of its vision to implement in Romania the mechanisms used in Europe for competitive electricity trading.

OPCOM has acted in full agreement with the European Commission Delegation, the World Bank representatives, the implementing authority, CFCU and Regulatory Authority to correlate the development of IT trading and settlement platform and the New Commercial Code provisions. This platform is implemented by OPCOM under the supply project included

in the PHARE 2000 program.

The strategic target for the implementation of all these projects consists in the strengthening of the Romanian Power Market Operator in order to become an exchange that can offer to the new operators in the future regional market, mechanisms and attractive conditions for trade, their participation being necessary to guarantee its survival in the competition of power exchanges from Europe that the evolution of the integration process assumes.

In 2003, OPCOM was the partner of the University of Ljubljana in organizing the 3rd Balkan Power Conference in Bucharest, being also involved in a series of international events (documentation visits and technical discussions, working groups, seminars, conferences) approaching the restructuring of the energy sector in East European countries, internal energy market evolution as a result of deregulation, trade mechanisms for sustaining of renewable energy in the countries intending to access the European Union.

The permanent concern of OPCOM’s management was to define, size and implement of an optimal organizational structure according to the strategy and its implementation stage. Consistent with its policy to provide the needed human and material resources dedicated to the operation and development activities, OPCOM allocated the financial resources to improve its staff skills and to ensure a modern and reliable logistic.



Victor IONESCU
CEO
ROMANIAN POWER MARKET OPERATOR

Key Milestones of Electricity Restructuring Process in Romania

In 2003, the legislative framework was developed by the adoption of the “Energy Law” (no. 318/2003) and approval of the “Road Map for Energy Sector of Romania”, the provisions of the EU Directive being therefore implemented in the national legislation.

The Energy policy continued to focus towards restructuring energy sector, the following government decisions being adopted with effect of the concentration degree of the electricity generation sector by reducing it as well as in order to provide a competitive environment:

- The Government Decision no. 1524/2002 respectively 1580/2003 referred to the reorganization of the SC Termoelectrica SA and setting up the four companies with legal personality: SC Electrocentrale Rovinari SA, SC Electrocentrale Turceni SA, SC Electrocentrale Bucuresti SA, and SC Electrocentrale Galați SA

- The Government Decision 103/2004 referred to the reorganization of SC Termoelectrica SA as well as the National Company of Lignite and establishing the following energy complexes: SC Rovinari SA, SC Turceni SA, SC Craiova SA.

The market opening degree was increased up to 40% according to the Government Decision 1563/2003.

January 29, 2004	Reorganization of SC Termoelectrica SA and National Company of Lignite Oltenia and establishing Energy Complex Rovinari, Energy Complex Turceni, Energy Complex Craiova.
December 23, 2003	Reorganization of SC Termoelectrica SA and establishing SC Electrocentrale Galați SA.
December 18, 2003	Increasing of market opening degree to 40%.
July 29, 2003	Approval of “Road Map for energy sector of Romania”.
July 8, 2003	Adoption of “Energy Law”.
December 18, 2003	Reorganization of SC Termoelectrica SA and establishing SC Electrocentrale Rovinari SA, SC Electrocentrale Turceni SA, SC Electrocentrale Bucuresti SA.
February-June, 2002	Reorganization of SC Termoelectrica SA and transmission of some CHP to committees in area.
January 17, 2002	Increasing of market opening degree to 33%.
December 24, 2001	Reorganization of the Trading Company for Electricity Distribution and Supply “Electrica” - SA.
December 20, 2001	Increasing of market opening degree to 20%.
October-November, 2001	Reorganization of SC Termoelectrica SA and establishing of new commercial subsidiary (including SC Electrocentrale Deva SA)
July 12, 2001	Approval of “2001-2004 Medium Term National Development Strategy in the Energy Field”.
October 19, 2000	Increasing of market opening degree to 15%.
July 13, 2000	Reorganization of the National Electricity Company and establishing National Electricity Transmission Company Transelectrica - SA, SC Termoelectrica - SA, SC Hidroelectrica - SA, Trading Company for Electricity Distribution and Supply “Electrica” S.A.; <i>establishing in the structure of CN Transelectrica - SA a subsidiary, Power Market Operator.</i>
February 18, 2000	Increasing of market opening degree to 10%.
October 22, 1998	Establishing Romanian Electricity and Heat Regulatory Authority - ANRE.
July 2, 1998	Reorganization of the Electricity Administration Autonomous Regie and the establishment of National Company of Electricity, a National Company Nuclearelectrica - SA and Autonomous Regie Administration for Nuclear Activity.

Role of the Romanian Power Market Operator

OPCOM plays the role of electricity market administrator, as stated in the in force primary and secondary legislation, providing the organized framework for the commercial transactions within the wholesale electricity market, in conditions of objectivity, transparency and equidistance.

The OPCOM functions are defined by the Government Decision 627/July 2000 and "Electricity Law", as well as the "Commercial Code of the Wholesale Electricity Market" issued by ANRE and the Conditions of the License no. 407/2001 for the wholesale electricity market administration.



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Gheorghe SBĂRNEA

Electricity Market Structure

According to the new provisions of the “Road Map for Energy Sector of Romania”, the development of the energy sector is based on long terms objectives, that reflect the economy requirements concerning the energy resources provisions and for energy safety, energy efficiency, use of renewable resources and environmental protection. In respect of these principles and for the harmonization with the acquis communautaire, the structure and the model of the electricity market are oriented towards an entire competitive market, the secondary legislation issued by ANRE being in line with these requirements. According to the latest regulations, the electricity market is structured in two segments:

- regulated market where electricity is traded through following type of energy contracts with firm quantities and regulated prices:
 - portfolio contracts concluded by SC Termoelectrica SA and its three legal subsidiaries: SC Electrocentrale București SA, SC Electrocentrale Deva SA and SC Electrocentrale Galați SA as well as the three energy complexes: SC Energy Complex Craiova SA, SC Energy Complex Turceni SA and SC Energy Complex Rovinari SA with the eight subsidiaries of Trading Company for Electricity Distribution and Supply "Electrica" - SA;
 - energy sell-buy regulated contracts, concluded by S.C. Hidroelectrica SA with the eight subsidiaries of Trading Company for Electricity Distribution and Supply "Electrica"- SA;
 - PPA contract, concluded by SN Nuclearelectrica SA, for the whole electricity volume delivered in NES, with the eight subsidiaries of Trading Company for Electricity Distribution and Supply "Electrica"- SA;
 - contracts for electricity corresponding to the thermal power produced in cogeneration, concluded by independent producers and self-producers with the corresponding subsidiary of the Trading Company for Electricity Distribution and Supply "Electrica" - SA in the area;
 - sell-buy regulated contracts of energy generated in micro hydroelectrical power plants concluded by SC Hidroelectrica SA with the eight subsidiaries of Trading Company for Electricity Distribution

and Supply "Electrica" - SA.

- competitive market where electricity is traded through following type of energy contracts:
 - bilateral contracts concluded between internal suppliers and generators in order to cover electricity consumption of eligible consumers;
 - import contracts concluded by internal producers to fulfil portfolio contract obligations;
 - import contracts of suppliers;
 - export contracts;
 - suppliers contracts, others than suppliers who sell energy to captive consumers on regulated tariffs;
 - negotiated contracts of independent producers and self producers, other than holders of portfolio contracts;
 - spot market trading at system marginal price. Players can hedge against the volatility of system marginal price by concluding bilateral contracts without firm quantities.

Producers	(44 licensed, 22 registered, 20 were active)
Transmission Operator	(1 licensed, 1 registered, 1 was active)
Ancillary Services Suppliers	(2 licensed, 7 registered, 7 were active)
System Operator	(1 licensed, 1 registered, 1 was active)
Distribution Operator	(8 licensed, 8 registered, 8 were active)
Electricity Suppliers	(56 licensed, 33 registered, 17 were active)
Eligible Consumers	(54 licensed, 31 registered, 22 were active)

MARKET PARTICIPANTS - 31.12.2003

Features of OPCOM Activity

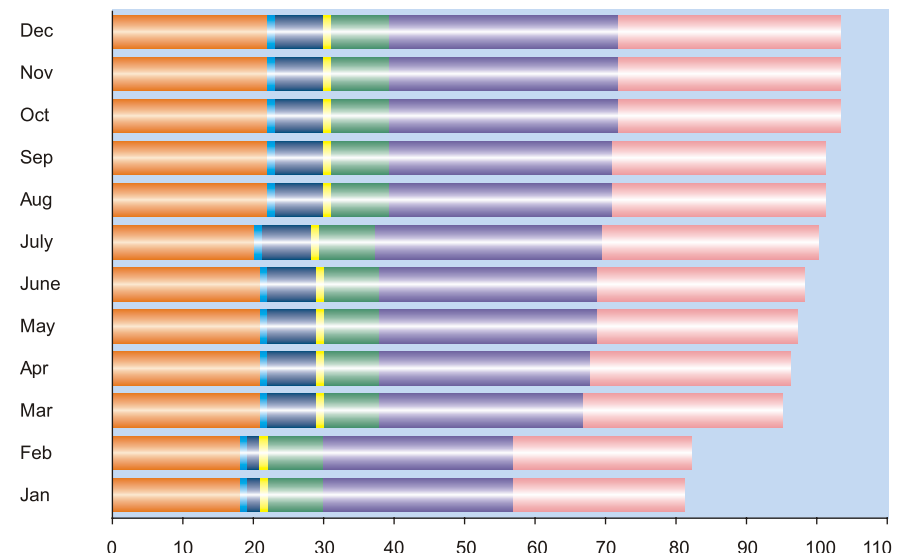
The constant development of the Romanian power market, integrated in the process of adaptation to the European evolution in the electricity sector, resulted in the intensification of OPCOM activity, performed in accordance with its tasks and competences stipulated in the in force regulations.

Market Subscription

After becoming a license holder, an economic agent can register to OPCOM as player in the wholesale electricity market if he goes over the following stages:

- fill in an application;
- hand in whole technical documentation (copy of the license, including license conditions, list of metering points associated with buy-sell electricity points, list of the dispatchable generating units owned, static and dynamic characteristics of generating units);
- signing of adhering protocol on wholesale market concluded between the player and SC OPCOM SA.

As a result of the subsequent reorganizations followed by the SC Termoelectrica SA as well as the continuous increase of the market opening degree simultaneous with the decrease of the eligibility threshold, the number of the market participants is constantly growing.



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Eligible Consumers	24	25	28	28	28	29	30	30	30	31	31	31
Electricity Suppliers	27	27	29	30	31	31	32	32	32	33	33	33
Distribution Operator	8	8	8	8	8	8	8	8	8	8	8	8
System Operator	1	1	1	1	1	1	1	1	1	1	1	1
Ancillary Services Suppliers	2	2	7	7	7	7	7	7	7	7	7	7
Transmission Operator	1	1	1	1	1	1	1	1	1	1	1	1
Producers	18	18	21	21	21	21	21	22	22	22	22	22

Features of OPCOM Activity

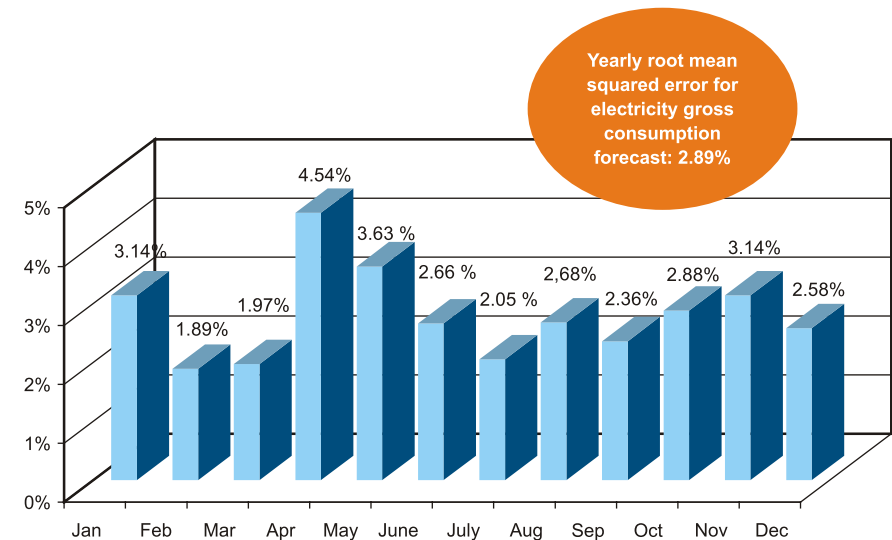
Coordination of the Electricity Demand Forecast Activity

According to the “Energy Law”, “Commercial Code of wholesale electricity market” and “Scheduling and Dispatching Regulation for NES” OPCOM “coordinate the forecast of electricity demand for operational planning and scheduling of NES”.

Hourly load forecast elaborated for the following two days (D and D+1 day), takes into account:

- load forecasts sent by suppliers;
- data regarding the evolution of meteorology parameters;
- data regarding the electricity consumption of the entire country, recorded on previous periods;
- statistical analysis regarding the electricity load profile for national holidays, atypical days.

Monthly root mean-squared error for the electricity gross consumption forecast is shown in the next chart. Yearly standard deviation registered in 2003 was lower with 0.69 % comparing to last year.



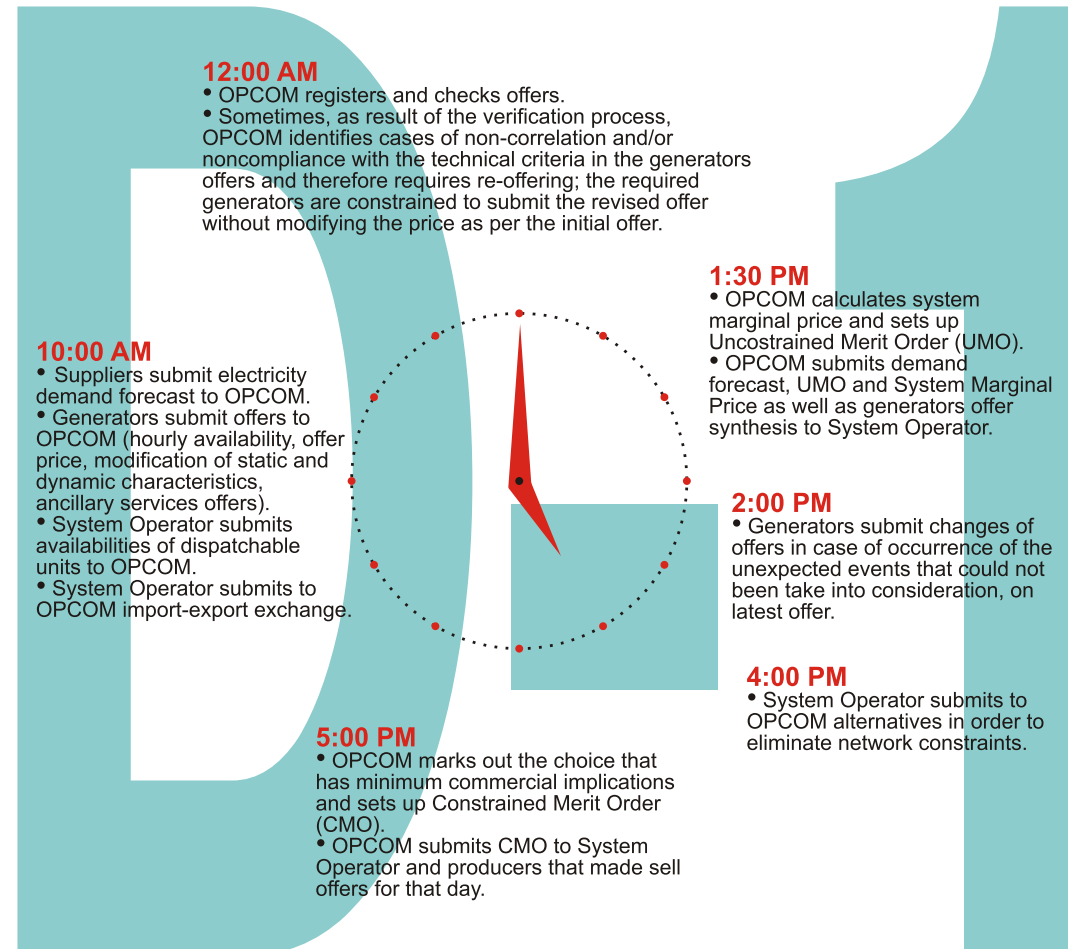
Features of OPCOM Activity

Scheduling of Dispatchable Units (1)

The D-1 scheduling day of the dispatchable units for the D day, with its components - generation scheduling and ancillary services scheduling - is made in order to cover the electricity demand by complying with technical, commercial and competitive requirements and to assure the technological ancillary services as needed for reliable and qualitative operation of NES.

The “Commercial Code of the wholesale electricity market” and its modification resulted from subsequent decisions and orders issued by the Regulatory Authority, define the activities and the timetable of scheduling process that is daily deployed for the following day.

In the same manner, but more roughly, OPCOM daily performs only as indication the 24 hours schedule for the D+1 day, making thus available to the generators a map of bid opportunities for the next day.



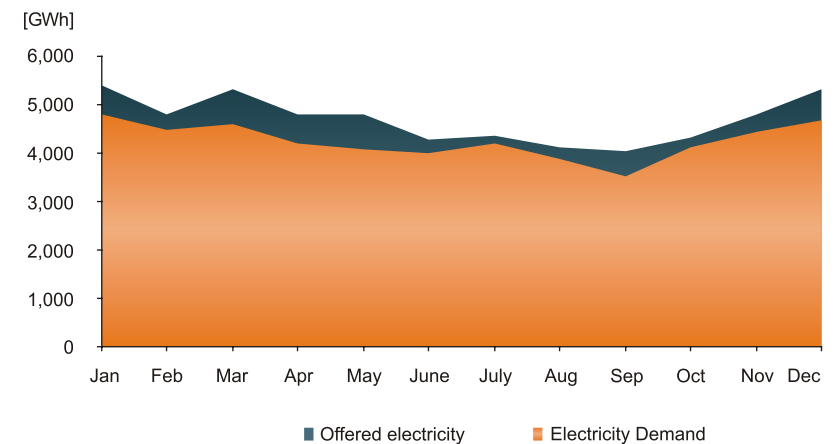
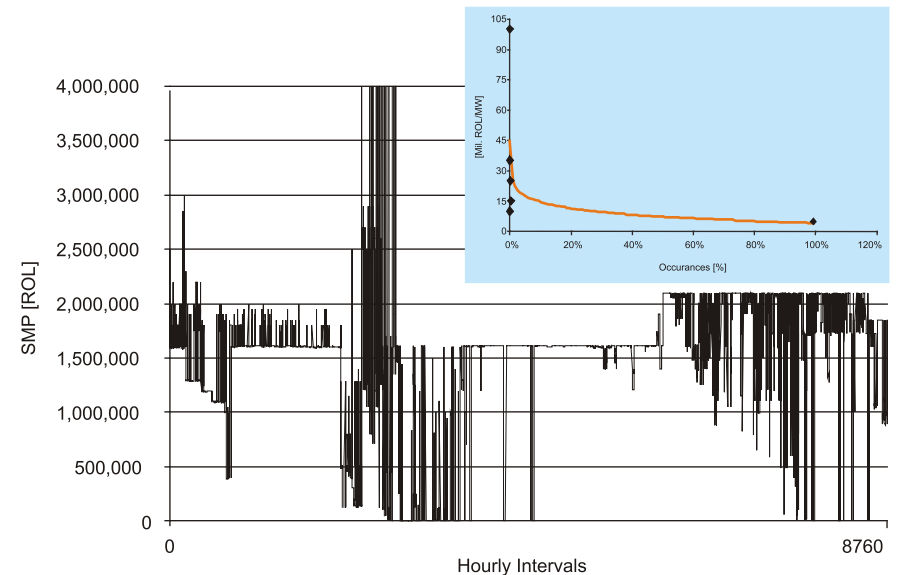
Features of OPCOM Activity

Scheduling of Dispatchable Units (2)

The hourly evolution of System Marginal Price registered in 2003 offers the image of a high volatility.

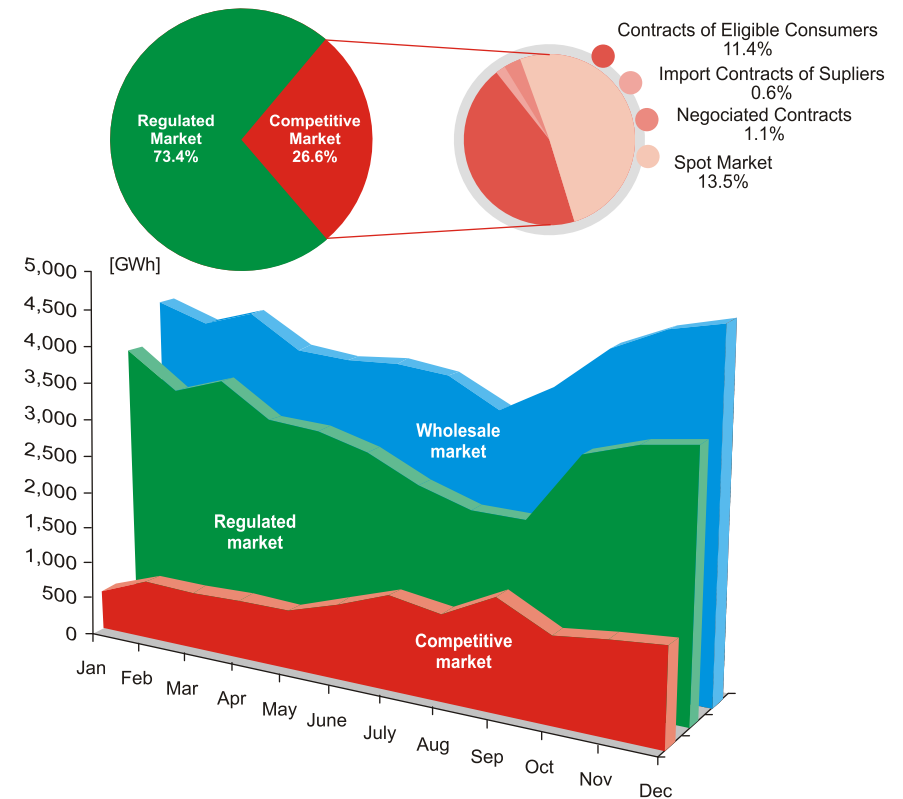
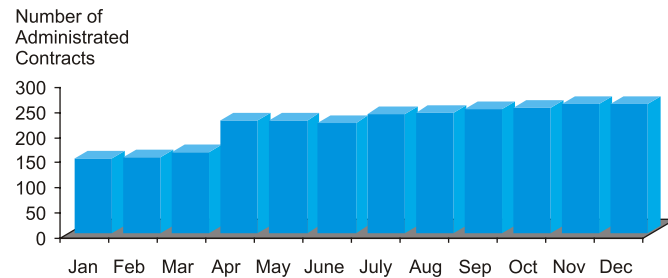
The tendencies of market manipulation were emphasised by spike values occurred (up to 100.000.000 ROL/MWh) in the generating offers, consequently determining limitations measures issued by Regulatory Authority as secondary legislation provisions.

Regarding the dispatchable units, their offered, respectively scheduled aggregated monthly volumes, prove the NES capability to cover the demand, even on the low hydrological level periods (August-November).



Features of OPCOM Activity

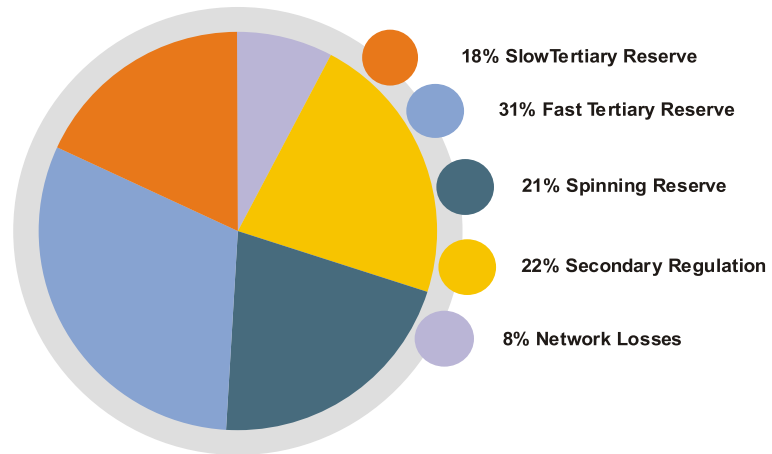
Commercial Arrangements Administration



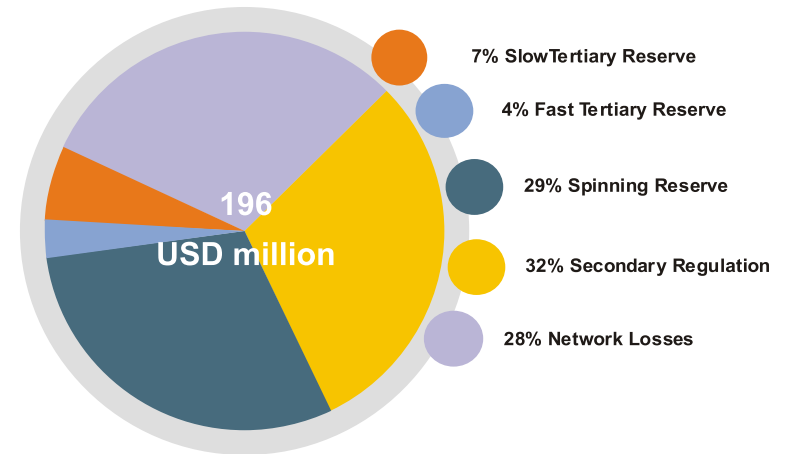
A novelty for 2003 was the redistribution market where the electricity transactions are concluded between the suppliers and the captive consumers at regulated price. In order to minimize the procurement costs, the electricity is traded between the suppliers of the end-user customers to redistribute the purchased and not used volumes from one of these suppliers to those having a registered consumption bigger than the contracted volume. In 2003 on the redistribution market the transactions volume was up to 297 GWh.

Features of OPCOM Activity

Ancillary Services Market Shares



Values of Traded Ancillary Services



Features of OPCOM Activity



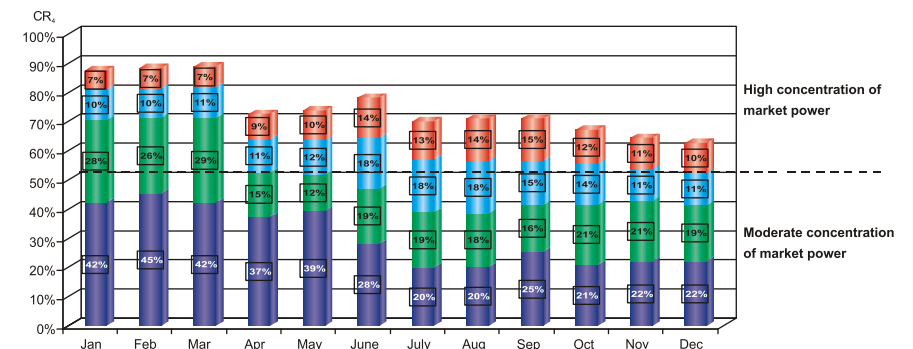
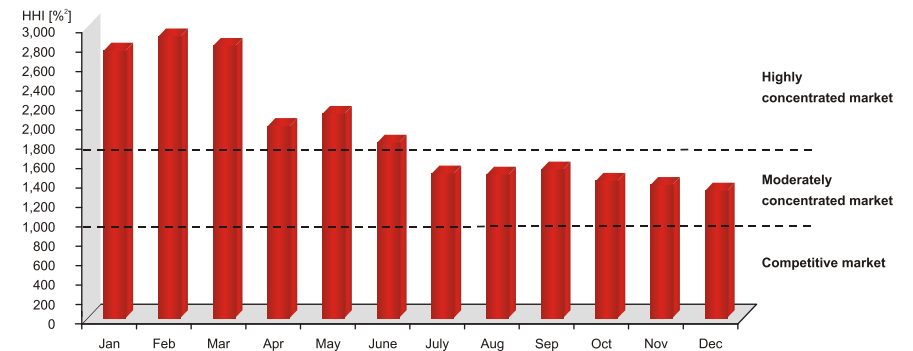
Market Surveillance

The activity was performed according to the procedure "Wholesale market surveillance and reporting activity to the responsible authority on the market operation and the conduct of market participants" and consistent with License Conditions. OPCOM submitted to ANRE the periodic market surveillance reports.

Thus, the identification of relevant indices - especially related to the market power, the volatility of the System Marginal Price and the capacity reserve - as well as the assessment of the efficiency of the Romanian electricity market operation based on these signals were pursued.

The maximum value of the HHI Index was registered in February, around 3,000, and the minimum value was registered in December, around 1,312; this value confirms, according to the domains specified in the appropriate technical literature, the presence of a moderate market power.

In the same context, CR4 Index analysis shows that, although the market shares of some of the biggest producers have decreased - from 40% to 20%, the value of this index remains between (50-100)%, with a maximum around 90% registered in March, and a minimum around 63%, in December 2003.



Features of OPCOM Activity

IT&T Development and Information Publishing

Regarding the communications infrastructure and informatics system, during 2003, concerning the increase of number of market participant, the Condition 30 in Licensee no. 407 (that stipulates OPCOM's obligation to provide permanent and reliable running of network stations, email services, intranet/internet and software applications) was completely accomplished, ensuring an optimal framework for the deployment of wholesale electricity market administration from the point of view of the reliability and efficiency. In order to improve and verify IT&T system, security audits were made for both telecommunication (phone central) and informatics system. Mean time, improvement of the actual procedures of quality management system has been done through implementation of specifically procedures for avoiding any inconsistency related to ISO 9001/2000.

As technical issue, the backup procedures have been automated. The internal guidelines were also performed, increasing the IT system reliability. The obligation to publish data and market information, stipulated as per Condition 32 of the License, was respected by editing and publishing the annual report containing public information about market. The web site was the support of daily publishing of the system marginal price. Mean time the development of a new portal opcom.ro continued, being now operational. The portal offers information about power market administration activity, primary and secondary legislation, aspects referring to market subscription etc.

Features of OPCOM Activity

Strategy and Development (1)

The strategic measures implemented by OPCOM in 2003 were due to provide a coherent and efficient development able to ensure the permanent fulfilment of its responsibilities according to the legislation, the evolution of the market commercial mechanisms, the market trends and risks, as well as to the maturity level of the market participants.

According to the “Electricity Law” and consistent with the development paths established by “The Road Map for Energy Sector of Romania”, OPCOM must apply an institutional and technological development strategy able to assure the overall capacity of the Power Market Operator in order to achieve the above mentioned goal

The achievement of this overall goal imposes that the Power Market Operator to assure the continuity and safety for the current operations deployment for the power market administration, for both the physical and the financial markets, in order OPCOM to be able to assimilate the power exchange functions for the physical power market and for the financial market, as a natural development of its role as power market administrator in Romania. OPCOM considers the development of the physical power market mechanisms, as well as of those belonging to the financial power market, of the financial and guarantee instruments and of the standardised contracts, which implementation will be performed in subsequent stages, as the implementation required conditions will be in place.

By developing the financial power market, OPCOM considers to establish a trading environment for the specific instruments (financial derivate instruments, as contracts for differences, futures, options) able to provide means for the risk transfer and hedging.

OPCOM focused its actions, in 2003, in the following directions:

- Institutional development, made by identifying and applying, in due time, solutions for the internal reorganization to ensure, in conditions of continuity, coherence and quality of the performed activities, the undertaking and compliance with the changes occurred due to the implementation of the sector restructuring decisions and the market

model evolution, as expressed by the secondary legislation;

- Assurance of the needed human resources, the efficient development of the human resources, the creation and maintenance of the organizational culture, the provision of the material and financial resources able to support the development in order to reach the above mentioned goal;

- Assurance of the framework for the daily operation of the power market, in conditions of safety, transparency and equidistance;

- Active contribution to the evolving process of the physical power market mechanisms, as well as to the process of definition for the financial and guarantee instruments, which implementation will be performed in subsequent stages, as the implementation required conditions will be in place;

- Successful implementation of the development projects, deployed based on the financial support granted by the European Commission (under the PHARE 2000, 2001 and 2002 programs) and the World Bank that provides the needed procedures and the information infrastructure. The managerial strategy implemented in 2003 by OPCOM management at institutional level were mainly focused on the following: the identification and consolidation of the core activities; the right definition of processes, the effective monitoring of processes and systems, in order to identify disruptions, to evaluate and improve, respectively to develop the processes and the systems; recruitment, professional formation and motivation of employees, in order to permanently ensure a stable, skilled, active and well motivated nucleus, characterized by organizational culture and sound moral profile; assurance of the services and goods needed for the core and support activities and outsourcing of the auxiliary services, at a high technical and qualitative level; cultivation and development of company’s international relationships; assurance of company’s infrastructure, quality management and services, needed in order to maintain the services and systems quality.

Features of OPCOM Activity

Strategy and Development (2)

The successful projects implementation, that provides OPCOM the technical assistance and the financial support will assure the operability of the power exchange functions for the physical power market (through two projects, financed by the European Commission in the PHARE 2000 program and by the World Bank), as well as for the financial power market (through the technical assistance projects financed by the European Commission in the PHARE 2001 and PHARE 2002 programs, respectively the investment project co-financed by the European Commission and OPCOM in the PHARE 2002 program).

The deployment of the PHARE RO 0005.01-08 project, under the PHARE 2000 program, began in 2003 and consists in the turn-key supply by AREVA of an integrated information and communication system, representing the new information platform for electricity trading in Romania. The result will be a modern and competitive IT system, that will assure reliability, viability, stability and continuity for the trading performed within the market. During this year, the project development were permanently controlled on both scope and time scheme, for its coordination with the development of the RO 0005.01-01 project (consultancy PHARE project dedicated to the preparation of the new market rules, ANRE being the beneficiary of a Kema International B.V. Consultancy).

During the same year, the company participated to the negotiation of the loan provided by the World Bank to the National Company Transelectrica S.A. for financing the Electricity Market Project that includes a component dedicated to OPCOM. This project, code P081406, will be developed on long terms, between 2004 – 2007 and its goal consist in providing the appropriate consultancy, by designing and implementing the New Trading Platform (including the needed rules and regulations, as well as their testing) and assisting OPCOM, in a twinning regime, for the commercial start-up of the OPCOM – Power Exchange.

The consultant will ensure the correlation of the conceptual activity that should been performed for designing, testing and implementing the new trading regime dedicated to the Romanian power market. Under the project, OPCOM will benefit of technical assistance for the institutional building of the

Power Exchange. The information tools dedicated to the fulfilment of the Hydro Regulation Agent function will be also provided, as well as for the simulation of the physical power market trades and the updates of the information system operating the physical market as will be needed as result of achieving the future steps as planned by “The Road Map for Energy Sector of Romania”.

During 2003, OPCOM assured the performance of the tendering process related steps for the selection of consultant, the year being completed with the stage of the submission of technical and financial offers by the shortlisted firms and the preparation for their evaluation.

For the implementation of the financial power market, OPCOM will benefit of an important investment through the PHARE RO 000.586.08.03.02 project, under the PHARE 2002 program, that will assure the supply of the integrated IT system dedicated to this function, as well as of a simulator of the financial market for training purposes. SchlumbergerSema will prepare the technical specifications for the procurement of these two systems under the PHARE RO 0107.10-01 project, for which OPCOM participated to the evaluation stages in the international tendering process organized by the MPF – CFCU. The technical assistance provided by SchlumbergerSema is also targeted in the institutional preparation of OPCOM as exchange operator of the financial power market, as well as on the rules, regulations and specific instruments for the financial market.

Also under the PHARE 2002 program, OPCOM benefits, through the PHARE RO 000.586.08.03.01 project, on technical assistance for the preparation of the investment consisting in the forecasting module and for assisting the company during the implementation of the above-mentioned investments. In 2003, our company’s specialists defined the terms of reference for this project that were been approved by the relevant authorities. The evolution of the market model will need an adequate consultancy in order to commercially and competitively resolve the problems specific for the interconnected systems operation: mechanisms for the transfer capacities allocation and for setting up the price, transit tariffs etc.

Features of OPCOM Activity

Cooperation

During 2003, OPCOM continued the activity as member with full rights on International Association of Power Exchanges - APEX, as well as in the Association of European Power Exchanges - EuroPEX.



During 2003, OPCOM's specialists participated with qualified papers to some international events (documentation visits and technical debates, working groups, seminars, conferences) on following topics: reorganization of the energy sector in East and South-East European countries, internal energy market evolution as a result of deregulation, trade mechanisms for sustaining of renewable energy resources in countries intending to access the European Union.

OPCOM acted as a local co-organizer during June 11-13, 2003, of the 3rd Balkan Power Conference, deployed in Bucharest. Presented papers and occasional debates referred the restructuring issues, liberalization and electricity market opening in Romania, as well as the international trends and evolutions. In this context, OPCOM formulated its availability to participate in establishing of the regional market and advanced concrete proposals appreciated by the participants at the event.

Quality Management System

A certainty of the successful implementation of the quality management system was represented by certification of OPCOM, according to ISO 9001/2000, by the Lloyds Register Quality Assurance.

The maturity of the quality management system materialized by reaching the following targets already achieved:

- the satisfaction level of the customers and interested parties regarding the services provided by the OPCOM, characterized as excellent,
- the professionalism of OPCOM's employees quoted as excellent.

As a general view, during 2003, the quality management system from OPCOM, worked efficiently, very close to the designed parameters.

These efforts followed up the strengthening of the quality management system, in order to identify and design of the necessary instruments for implementing the business excellent principles until the end of 2004.

Financial report (1)

Balance Sheet

[USD]

	31- Dec- 00	31- Dec- 01	31- Dec- 02	31- Dec- 03
ASSETS				
Intangible assets	4,817	18,069	118,617	84,559
Property, Plant, Equipment	110,922	165,174	132,518	338,912
Investment in process	-	6,732	-	-
Other Fixed Assets	98,483	160,099	264,856	-
Total fixed assets	209,405	332,005	397,374	338,912
Financial Investments	-	2,316	25,489	26,131
Inventories	5,422	-	6,652	5,106
Accounts receivable	840,416	1,072,066	701,135	710,803
Cash	46,128	7,350	4,729	48,019
Current Assets	891,965	1,079,416	712,517	763,928
Other current	36	18,858	34,498	20,721
Total Assets	1,106,223	1,450,664	1,288,496	1,234,251
LIABILITIES & STOCKHOLDERS EQUITY				
Financial Debt	-	22,712	126,328	153,398
Accounts Payable, others	529,512	484,482	510,645	429,026
Total Liabilities	529,512	507,195	636,973	582,424
Stockholders Equity	46,421	38,089	35,925	643,694
Reserves, others	481,955	398,385	578,190	8,134
Undistributed profit/losses	48,336	506,995	37,408	-
Stockholders' Equity	576,712	943,469	651,523	651,827
Other Debt	-	-	-	-
Total Liabilities & Equity	1,106,223	1,450,664	1,288,496	1,234,251
Average annual exchange rate ROL / USD	25,926	31,597	33,500	32,595

Financial report (2)

Cash Flow Statement

[USD]

		31- Dec- 00	31- Dec- 01	31- Dec- 02	31- Dec- 03
	EBIT	846,562	643,019	152,926	18,700
	Depreciation cost	14,138	83,759	140,015	204,991
	Change in Working Capital	-316,266	-41,748	-56,752	165,939
+/-	Inventories	-5,398	4,449	-6,652	-5,106
+/-	Receivable	-840,416	-382,487	310,031	-9,799
+/-	Others current	-	-	-	-
+/-	Payable	529,512	355,118	-361,079	195,580
+/-	Prepaid expenses	36	-18,828	948	-14,735
1	Operational Cash Flow	544,433	685,031	236,189	389,630
	Capital Expenditure in PPE & intangible	-4,783	-179,573	-206,320	-106,912
	Capital Expenditure in financial investment	-	-	-	-
2	Cash Flow from Investments	-4,783	-179,573	-206,320	-106,912
3	Cash flow from Operations (1+2)	539,651	505,458	29,869	282,718
	Cash Flow from Financing				
+/-	Financial assets	-	-	-	-
+/-	Loans	-	-	110,885	153,398
	Net Fin. Expenses	215	560	-21,070	-43,163
	Net Extr. Income/(Expenses)	-8,447	-8,928	-92,295	-
	Corporate Tax	-209,788	-165,315	-56,557	-34,711
+/-	Equity	-	-	-	-
	Dividends paid	-	-	-221,214	-
+/-	Others	-275,431	-324,425	255,113	-310,223
	Total Cash Flow from Financing	-493,450	-498,107	-25,139	-234,699
	Free Cash Flow				
+/-	Cash	46,200	7,350	4,729	48,019
	Initial Balance	-	37,849	6,933	4,729
	End Balance	46,200	7,350	4,729	48,019
	Average annual exchange rate ROL / USD	25,926	31,597	33,500	32,595

Financial report (3)

Profit and Loss Account

[USD]

	31- Dec- 00	31- Dec- 01	31- Dec- 02	31- Dec- 03
Turnover	1,030,703	1,434,330	1,455,905	1,658,702
Own Work Capitalized	-	-	-	-
Total output	1,030,703	1,434,330	1,373,201	1,658,702
Other Revenues	-	85	4,396	15,717
Operating revenues	1,030,703	1,434,415	1,377,597	1,674,419
Materials	10,752	18,514	32,967	67,596
Energy	-	8,634	17,639	9,622
Other materials	-	12,505	-	-
Total material costs	10,752	39,653	50,607	77,218
Services	33,291	236,737	381,249	369,812
Taxes	4,298	17,051	9,909	546
Wages	120,438	402,057	612,598	862,136
Other operational costs	1,225	15,348	30,043	97,852
Depreciation cost	14,138	83,759	140,015	204,991
Total Operating Costs	184,141	794,606	1,224,421	1,612,556
Result before tax and interests	838,330	624,503	51,925	65,953
Operational profit	846,562	639,809	153,176	61,862
Financial Income	215	1,974	478	4,090
Financial Costs	-	1,416	21,548	47,253
Interests	-	-	-	-
Net Financial Income	215	558	-21,070	-43,163
Extraordinary Income	-	7,630	9,433	-
Extraordinary Costs	8,447	17,279	101,729	-
Net Extr. Income	-8,447	-9,649	-92,295	-
TOTAL REVENUES	1,030,918	1,444,018	1,387,258	1,678,509
TOTAL COSTS	192,588	813,301	1,347,697	1,659,809
Result before Tax	838,330	630,717	39,561	18,700
Corporate Tax	209,788	163,383	56,557	34,711
Profit after Tax	628,542	467,335	-16,996	-16,012
Average annual exchange rate ROL / USD	25,926	31,597	33,500	32,595

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