

SHAREHOLDING COMPANY WITH
MIXED OWNERSHIP OF CAPITAL
ТОПЛИФИКАЦИЈА АД - СКОПЈЕ

ТОПЛИФИКАЦИЈА



**ANNUAL REPORT
2000**

Republic of Macedonia, April 2001

1. INTRODUCTION

The annual report for 2000 was prepared based upon the annual financial calculation, energy and technological balances, as well as separate reports by the separate departments in Toplifikacija AD-Skopje.

It is created in order to supply the necessary information for the Shareholders Assembly on the operation and the results achieved by the shareholding company in the year 2000.

Toplifikacija AD-Skopje is a legal entity carrying out business activities in order to achieve positive financial results - profit. The organizational arrangement of the company has been determined in the form of a Shareholding Company with a mixed ownership of capital

The transformation of the company was achieved during 1999 in accordance with the Law on Transformation of Companies with Public Capital, and also a coordination has been carried out of the company with the Law on Trade companies..

This company has been registered in the registry court Principal Court Skopje I -Skopje, it has been registered in the Trade Registry under T.reg.br.7826 from 05.10.1999 as "Shareholding Company Toplifikacija - Skopje for the Production and Distribution of Heat".

T1. Global Economic Indicators in 2000.

a) Registered consumption in the buildings	563,647	MW
b) Technological capacity		
- Heating plants - available capacity	523,850	MW
- District heating grid - length	148,5	km'
c) Production of heat	682.682	MWh
d) Number of employees on 31.12.2000	380	personnel
e) Consumption of energy sources in our activity:		
- Fuels - in fuel oil equivalents	69.181	t
- Power consumption -active	17.919	MWh
f) Positive financial results - net profit	84,957	10⁶ Den.

The basic economic activity of "Toplifikacija" AD - Skopje consists of production and distribution of heat in the region of the city of Skopje.

The other activities are mainly in function of the basic activity, and are determined as follows: production and distribution of gas fuels, construction and mounting of structures for district heating and gas supply, investment programs, studies and analyses, investment and technical documentation for thermal energy structures, district heating and gas supply grid, scientific research work, and realization of work in engineering in the thermal-techniques and energy sector, programming and software, as well as other activities. In the past period Toplifikacija has broadened its activities in the fields of marketing and sales as well as in foreign trade.

Toplifikacija is carrying out its activities successfully through several of its sector units: Bureau of Directors; Development, Design and Investments Sector; Sector for Production of Heat and Maintenance of Thermal Apparatuses; Sector of Distribution and Measurement of heat and gas, Economic Sector, Personnel and Legal Issues Sector.

The management of the shareholding company is organized in a two level system in accordance with the Company Law, namely:

- Assembly of the shareholders of the company,
- Supervisory Board of the company,
- Management Board of the company.

The Assembly of shareholders of the company was constituted on 05.10.1999, after coordination of the organization of Toplifikacija Skopje with the Company Law. The Assembly is made up of representatives of the owners of share-holding capital in the company.

The Supervision Board is made up of 5 members supervising the management carried out by the Management Board of the company. Its members are nominated by the shareholders' Assembly.

The Management Board manages the shareholding company, it is an organ made up of 7 members, and its members are nominated by the Supervision Board of the company.

The president of the Management Board manages the shareholding company. The president of the Management Board represents and acts in name of the company in its relations with third parties. The same person is also responsible for issues of the employees and work relations in the company.

The Expert Board is an advisory body to the Director. It reviews all issues of the current operation of the company and the development, and passes decisions and opinions on them.

The employees realize their rights and duties based upon their jobs, in accordance with the Collective Agreement of

the shareholding company.

In accordance with the law and the company acts, several activities have been realized in 2000 from the field of protection in work, fire protection, as well as physical protection of the buildings of "Toplifikacija" AD Skopje, as follows:

- Preparation of analyses and work manuals for safe realization of the work in realization of the activities of the company, with a stress upon the annual overhaul as well as maintenance of the technological capacity.
- Protection, control and review of the jobs, the premises, tools, and work apparatuses, electricity installations, the personal and collective means of protection.
- Health protection of the employees.
- Physical protection of the buildings, electricity installations, grounding (lightning protection) of the heating plants, fire protection, training of the workers in the domain of protection in work.
- Training of the employees in work with natural gas as a fuel for the plants.
- Preparation of defence, protection of the working surroundings and the environment.

Health protection of the employees is realized by *Labor Medicine* in our city, and a part of the employees are sent to regular annual recreational vacations. During 2000, there were 8 transgressions on the job, of minor character.

It could be stated that the results registered from these activities have shown mainly a positive tendency during the report period.

1.1. PERSONNEL STRUCTURE

At the end of 2000 there was a total of 380 employees in "Toplifikacija" AD-Skopje, of which 297 male and 83 female.

T 2a. Personnel structure

Qualification groups			Employees
1			2
1.	VIII /1	+Dr.Sci	1
2.	VII/1	+Univ.Diploma	36
3.	VI/1	+Univ. I-degree	10
4.	V	+Highly Qualified	39
5.	IV	+Secondary school	224
6.	III	+Qualified	49
7.	II	+Half-qualified	11
8.	I	+Non-qualified	10
TOTAL			380

During the year 2000, only one person was employed in the company, with a limited duration, and that same person was taken out of the list after that duration expired. At the same time a total number of 8 employees have left our company, of which 5 went with their old age retirement, one person left due to the expiration of the contract (duration) for the job, and two deceased persons were taken from the list. There was a reduction of the work force in the year 2000 from 388 to 380 employees.

T2b. Number of employees in organizational units

Department / Sector	Employees
Bureau of directors	8
Sector of Development, design and investments	15
Sector of production of heat and maintenance of thermal apparatuses	137
Sector of distribution and measurement of heat and natural gas	79
Sector of economics	86
Sector of legal issues	55
TOTAL :	380

2. REALIZATION OF THE ECONOMIC ACTIVITY

The economic activity of Toplifikacija AD - Skopje consists of production and distribution of heat for the heating of apartment and business buildings which are connected to the district heating system of the city. Toplifikacija carried out its activity in the year 2000 through the district heating plants "Istok" /East/ and "Zapad" /West/, as well as through the boiler houses "11-ti Oktomvri" and "Park". The boiler house "Vodno" is not being operated, the consumption of heat necessary is being satisfied from the Heating Plant Zapad.

The delivery of heat to the consumers is realized in accordance with the mode temperatures diagram which is designed based upon the variation of outside temperatures in the geographic region of the city of Skopje during the heating season.

2.1. CLIMATIC PARAMETERS

The average outside temperatures for each heating plant and for each month separately, are stated in the next table. From table T3, one can see that the average outside temperature in the heating period of the year of 6,81 °C is 1,52°C degrees higher than the design temperature - which is 5,29 °C. Compared with the latest several years, higher average outside temperatures were registered partially because of a longer heating period.

T 3 Average outside temperature for the months in 2000

MONTH	Plan	"Istok"	"Zapad"	"11 Okt."	"Park"	Average
January	0.9	-2.25	-1.5	-2.06	-3	-2.03
February	2.7	3.88	4.16	4.1	2.72	3.96
March	6.5	7.67	8	8.04	6.4	7.77
April	11.0	13.23	14.74	14.06	12.08	13.71
October	11.0	11.74	12.17	12.13	10.68	11.87
November	7.3	9.94	9.97	10.36	8.75	9.95
December	3.0	3.28	3.74	3.78	2.38	3.43
Average:	5.3	5.83	6.30	6.21	4.77	5.98

The average outside temperatures in each of the heating plants for each month during the reported period are stated in the previous Table 3. This gives us the average annual temperature for the heating season 1999/2000 amounting to 5,98°C. This temperature is for 0,69°C higher than the design temperature (which amounts to 5,29°C). Compared with the last several years (years 1997-2000) when somewhat higher temperatures were registered, a certain fall of the average temperatures has been registered of the outside temperatures in the season of 1999/2000, as stated in Table 3a.

T3a. Average outside temperature in the period 1987/2000

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average t °C	5.03	5.40	6.20	7.80	6.40	6.60	4.38	7.67	6,44	6,53	6,66	6.37	6.81	5.98

2.2. HEATING PERIOD

The calendar year of 2000 was planned with 184 heating days or 4.416 heating hours. It was planned for the season of 1999/2000 to end on 15.04.2000, and for the new season 2000/2001 to start on 15.10.2000. The heating season of 2000/2001 started on 15.10.1999. The heating period of year 2000, thus lasted 184 days. The number of heating days in the months heated in 1999 is stated in the following table T4.

T4. Number of heating days in 2000

Month	January	February	March	April	October	November	December	Total
Realized	31	29	31	15	17	30	31	184
Planned	31	29	31	15	17	30	31	184

The following table states the latest total realized working hours of the heating plants and boiler houses during the heating months of 2000.

T4a. Realized working hours in the heating plants 2000.

	Planned (h)	Istok (h)	Zapad (h)	11 Okt. (h)	Park (h)
January	496	608	587	600	576
February	464	514	501	513	499
March	496	426	424	432	416
April	240	122	123	132	123
October	272	163	151	163	165
November	480	393	385	377	368
December	496	550	533	538	522
TOTAL :	2944	2776	2704	2755	2669

One can see from the table above that a greater part of the working hours have been realized in the colder calendar months, when the planned values have been surpassed with a 5-10%, which was to be expected. The number of working hours in the transitional months were under the expectations.

The total time of delivery of heat in the year 2000 was under the planned values, which is due mostly to the lesser total number of heating days in the season. The average daily time of delivery of heat, on the other hand, is on the level of the previous years.

Several stops in the delivery of heat were registered in this past year, and according to table t/4b, these were mostly due to electricity surges. The most operation stops were registered in the heating plant "Istok", a total of 4, of which one serious defect was at the start of the heating season 2000/2001. The heating plant "Zapad" had 3 operation stops because of electricity surges, of which one was a serious one in the month of February. Also, 2 operation stops were registered due to electricity surges in the boiler house "11 Oktomvri". The operation stops due to electricity surges were of short intensity, except for those mentioned in the two heating plants of the district heating system.

T4b. Interruptions in delivery of heat in the period 1989/2000

FAILURE	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Power fall-out	36	16	5	2	1	0	4	11	9	14	17	10
Defect	13	2	0	1	4	2	2	/	/	/	2	/
TOTAL:	49	18	5	3	5	2	6	11	9	14	19	10

2.3. INSTALLED CAPACITY

The heat from the Heating Plants "Istok" and "Zapad", as well as from the boiler-houses "11 Oktomvri" and "Park", was delivered to the consumers in the heating months of 1999/2000. The boiler house "Vodno", as in the previous heating seasons, remained shut down during the whole year.

2.3.1. Hot Water Capacity

The total hot water capacity, at the end of year 2000 amounted to 491,13 MW. Of that, 487,25 MW are in active use. The two existing boilers in KO "Vodno", with a total capacity of 3,88 MW, have been sealed and preserved.

T5. Hot water boiler capacity in active use

Type of hot water boiler	Unit Capacity (MW)	No. of boilers	Location (Heating plant)	Total Capacity (MW)
VKSM - 60	69,780	2	"Istok"	139,560
VKSM - 40	46,520	3	"Istok"	139,560
Total	/	5	TO "Istok"	279,120
VKSM -20	23,260	2	"Zapad"	46,520
VKSM -50	58,150	2	"Zapad"	116,300
BKG-100/a	8,150	1	"Zapad"	8,150
Total	/	5	TO "Zapad"	170,970
BKG - 80	5,965	2	"11 Oktomvri"	11,930
BKG - 200	16,280	1	"11 Oktomvri"	16,280
Total	/	3	"11 Oktomvri"	28,210
BKG - 60	4,475	2	KO "Park"	8,950
TOTAL active		15	Toplifikacija AD	487,250

T5a. Hot water boiler capacity in conserved condition

Conserved hot-water boilers	Unit Capacity (MW)	No. of boilers	Location (Heating Plant)	Total Capacity (MW)
CVG - 120	1,94	2	KO "Vodno"	3,88
TOTAL conserved	/	2	Toplifikacija AD	3,88

2.3.2 Steam Capacity

The heating plants "Istok" and "Zapad" continue to satisfy our own needs of heat and technological steam with two block boilers each. Of the total steam capacity, two steam boilers BKG-100 are in use in the heating plant "Istok" and two steam boilers are in use in "Zapad", while only the steam boiler BKG-80 remains conserved in the heating plant "Istok".

T5b. Steam capacity in active use

Type of steam boiler	Unit Capacity (MW)	No. of boilers	Location (Heating Plant)	Total Capacity (MW)
BKG - 100	7,405	2	"Istok"	14,81
Total	/	2	TO "Istok"	14,81
BKG - 80	5,97	2	"Zapad"	11,94
Total	/	2	TO "Zapad"	11,94
TOTAL active	/	4	"Toplifikacija"	26,75

Table T5b shows the steam boilers which are in active use.

The remaining block boiler in its current location is in the following table.

T5c. Conserved Steam Capacity

Type of steam boiler	Unit Capacity (MW)	No. of boilers	Location (Heating Plant)	Total Capacity (MW)
BKG - 80	5,970	1	TO "Istok"	5,970
TOTAL conserved	/	1	"Toplifikacija"	5,970

2.4. CONNECTED HEAT CAPACITY

The following table shows the state of the capacity according to categories of consumers on 31.12.1999 and on 31.12.2000, according to data from the Economy Sector of Toplifikacija AD - Skopje.

T6. Connected heat capacity on 31.12.2000.

Residential space - fixed rate payment	31.12.1999	31.12.2000	Difference
Number of apartments	42,451	43,527	1,076
Total surface m ²	2,619,287	2,677,714	58,427
Capacity MW	343,724	351,391	7,667

Business space - fixed rate payment	31.12.1999	31.12.2000	Difference
According to square meters (m ²)	19,892	22,385	2,493
According to capacity (MW)	48,202	47,048	-1,154
Total capacity (MW)	50,987	50,182	-0,805

Individual residential houses - payment according to measurement	31.12.1999	31.12.2000	Difference
Installed capacity (MW)	28,634	28,357	-0,277
Currently corrected capacity (MW)	29,037	29,309	0,272

Business space - payment according to measurement	31.12.1999	31.12.2000	Difference
Standard structures - economy			
Installed capacity (MW)	121,100	125,204	4,104
Currently corrected capacity (MW)	100,720	105,585	4,865
Special structures (kindergartens and institutions)			
Installed capacity (MW)	14,591	13,772	-0,819
Currently corrected capacity (MW)	13,444	12,451	-0,993
Elementary Schools			
Installed capacity (MW)	14,178	14,253	0,075
Currently corrected capacity (MW)	15,271	14,729	-0,542

From the tables above and the books of Toplifikacija AD, it is obvious that two kinds of consumption is registered, namely these are *installed* capacity and *registered* capacity of the consumers. The registered capacity is the one determined from the reading of the heat meters during the heating period. A larger part of the consumers from the business as well as individual consumers have a possibility to carry out regulation of the quantity of energy they need, so that the consumption changes compared with the installed situation determined from the mechanical engineering design for the installations of the constructed house.

Heat meters are planned in the development planning of Toplifikacija AD, namely installation of heat meters in all buildings which have been connected to the district heating system.

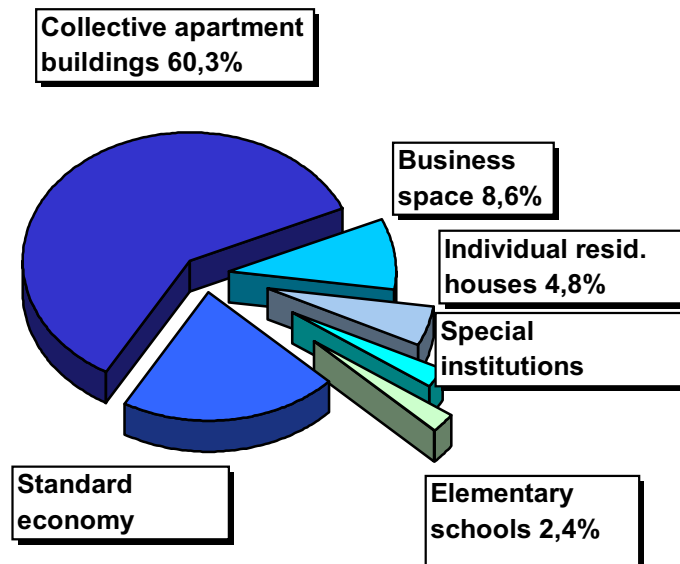
Based upon data from the Economy Sector of Toplifikacija on the consumers with a fixed rate payment, we have accepted the following values for specific heat burdening: 131,228 W/m² for residential apartment buildings and 140 W/m² for business with a fixed rate payment.

The previous table shows that we have a constant change of consumption in the various categories of consumers. We can thus see a constant increase of consumption in the category of collective buildings /high multi-apartment buildings with a vertical distribution in the building) as well as in standard buildings - business.

Of the total number heat consumers connected to our system, residential buildings (individual houses with heat measurement, as well as collective buildings with fixed rate payment) participate with 65,12 % of the installed consumer capacity, and with 67,54 % of the currently corrected consumer capacity.

- **installed capacity** is the capacity according to the design documentation, while the
- **currently corrected** capacity is the one the consumer is currently utilizing and which is corrected every 3 months in accordance with higher or lower consumption.

Only the residential collective buildings make up 60,26 % of the installed capacity, or 62,34 % of the total currently corrected consumption. A graphical depiction follows, of the installed consumer capacity according to categories of consumers.



According to Table t/6 on 31.12.1999 the consumer capacity amounts to 573,214 MW installed capacity, i.e. 553,183 of currently corrected capacity. At the end of the year 2000, installed capacity was 583,159 MW, and currently corrected capacity amounted to 563,647 MW. This means that during the year 2000 there has been an increase of installed capacity of 9,945 MW, and of the currently corrected capacity of 10,464 MW. Nevertheless, the changes in consumption in 2000 are marginal, in other words, they do not exceed more than 2% of the total consumption.

A review of the conditions of the installed and the currently corrected consumer capacity at the beginning and the end of the year 2000 for the heating plants they are connected to, is given in the following table.

T.6.a. Installed and currently corrected consumption at the end of 1999.

Heating Plant	Installed consumption			Currently corrected consumption		
	01.01. 2000 (MW)	Increase (MW)	31.12. 2000 (MW)	01.01. 2000 (MW)	Increase (MW)	31.12. 2000 (MW)
Istok	364,082	6,121	370,203	350,194	6,700	356,894
Zapad	170,832	3,824	174,656	164,698	3,764	168,453
11 Oktom.	30,300	/	30,300	30,300	/	30,300
Park	8,000	/	8,000	8,000	/	8,000
TOTAL:	573,214	9,945	583,159	553,183	10,464	563,647

An increase of the consumer capacity of 9,3 MW was planned for 2000, 6,8 MW for the Heating Plant "Istok", and 3,5 MW for the Heating Plant "Zapad", as well as 0,8 MW in the boiler house "11 Oktomvri". The planned increase of consumer capacity was correct and realized even with a slightly greater scope.

Looking at the installed consumption for each plant, the delivered heat to consumers connected to plant "Istok" has increased for 6,121 MW installed or 6,700 MW of currently corrected capacity. The delivered heat to consumers connected to plant "Zapad" has increased for 3,824 MW installed or 3,764 MW of currently corrected capacity. There was no connection of new consumers to the smaller boiler plants - "11 Oktomvri" and "Park".

The heat delivered from the plant is calculated several years back with losses in the distributive grid amounting to 17%. Thus, the delivered heat from the plants on 31.12.2000, is stated in the following table.

T.6.b. Heat capacity delivered from the heating plants on 31.12.2000.

Heating Plant	Installed (MW)	Currently corrected (MW)
ISTOK	433,138	417,566
ZAPAD	204,348	197,090
11 OKTOMVRI	35,451	35,451
PARK	9,360	9,360
TOTAL:	682,296	659,467

2.5 FUEL CONSUMPTION**2.5.1. Consumption of Fuel Oil**

In the year 2000, 51.546,4 tons of fuel oil were consumed. The consumption of fuel oil in the separate heating plants and for each month is given in the following table. From the table, one can see that, compared with the planned quantities, all heating plants have realized a lower consumption of fuel oil

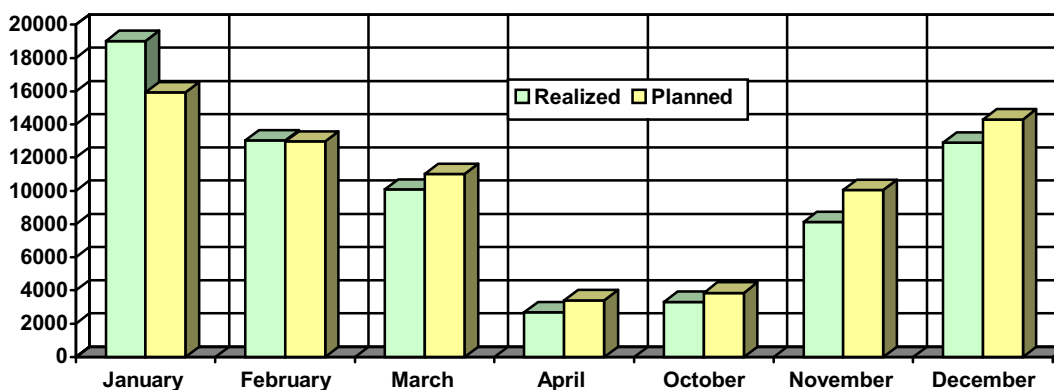
Most of the consumption of fuel oil was realized in the two main heating plants "Istok" and "Zapad" which have a greatest consumer capacity connected to them.

T 7 Consumption of fuel oil in the months of 2000.

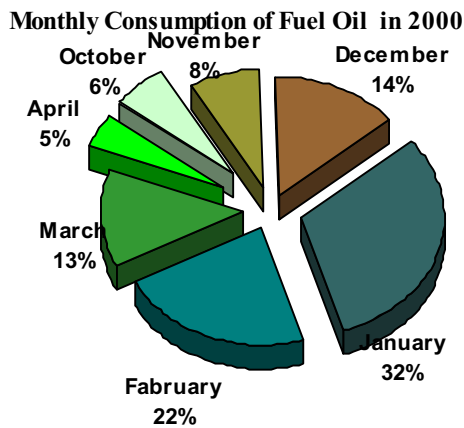
MONTH	Istok	Zapad	11 Oktom.	Park	Total
January	9.708,9	5.229,8	948,0	287,1	16.173,7
February	6.875,0	3.745,6	692,5	198,2	11.511,2
March	3.299,5	2.801,9	512,7	156,8	6.770,9
April	1.418,0	795,9	134,5	47,3	2.395,7
October	2.073,1	911,3	169,3	53,4	3.207,1
November	1.216,0	2.287,0	414,5	125,3	4.042,8
December	2.916,2	3.634,7	712,6	181,4	7.444,9
TOTAL:	27.506,7	19.406,3	3.583,9	1.049,5	51.546,4

The heating plant "Istok", being the largest energy capacity in our system, has this year also consumed more fuel oil than in the rest of the heating plants together. Compared with the previous years the quantity of consumed fuel oil in this plant is less due to the use of natural gas which is used as substitution for the fuel oil.

The months with the lowest average outside temperatures (January, February, November and December), when the longest periods of delivery of heat were also registered, also registered the greatest consumption. The following graph shows the consumption of fuel oil per month compared with the planned quantities.

Consumption of Fuel Oil in the year 2000

The upper diagram clearly points out that the consumption per month was under the planned value, yet the situation is not quite clear due to the substitution of fuel oil with natural gas. The following diagrams give a picture of the percentages in separate months, i.e. the various heating plants, in the total consumption of fuel oil, during 2000.



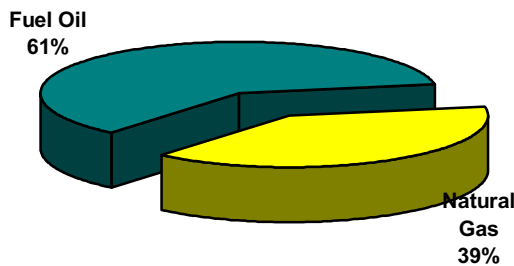
Fuel Oil per Plant in 2000



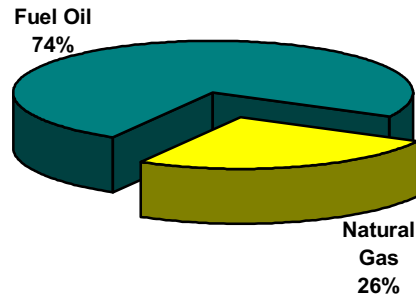
2.5.2. Consumption of Natural Gas

During the whole of the heating season of 2000 (with varying intensity) natural gas was also used in the Heating Plant "Istok". The participation of natural gas in the consumption of fuel in the heating plant "Istok" as well as compared to the total consumption in the whole system is given in the following pies.

Fuels in Plant "Istok"



Fuels for the Whole System



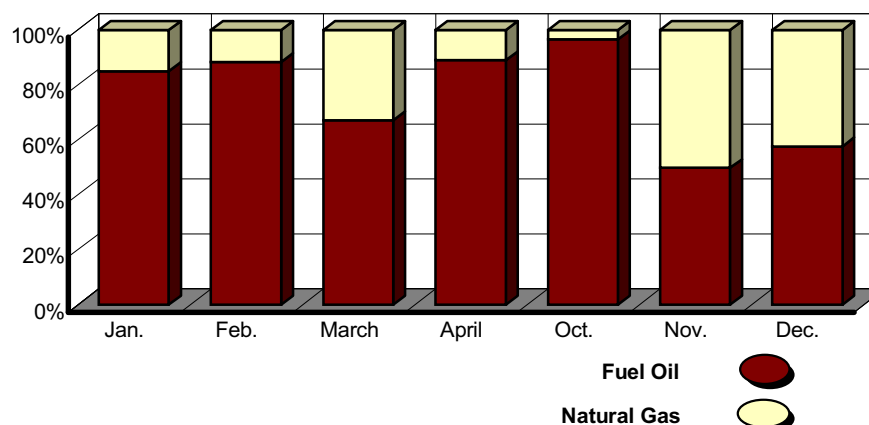
The realized consumption during the heating season of 2000, as well as the appropriate quantities of fuel oil which would have been consumed instead of the natural gas for the months of 2000 are stated in the following table T7a.

T7a Consumption of natural gas in the months of 2000.

MONTH	I	II	III	IV	X	XI	XII	TOTAL
Natural gas (m ³)	3.428.627	1.828.784	3.980.585	357.063	138.384	4.907.553	6.583.408	21.224.449
Equivalent Fuel oil (t)	2.848,72	1.519,45	3.307,28	296,67	114,98	4.077,46	5.469,85	17.634,40

The bar interpretation gives a percentage of natural gas compared with the fuel oil consumption in the heating months of 2000.

Fuel Consumed in Plant "Istok" in 2000



2.5.3. Total Consumption of Fuel

If the consumption of natural gas based upon the lower heat value of the fuel is rendered into an equivalent quantity of fuel oil, we will be able to make a comparison of the fuel consumption during the past several years. The following table gives the total consumption of fuel in the past several years in Toplifkacija AD - Skopje.

T7b Total consumption of fuel for energy in the period of 1991/2000.

Total consumption	1991 (t)	1992 (t)	1993 (t)	1994 (t)	1995 (t)	1996 (t)	1997 (t)	1998 (t)	1999 (t)	2000 (t)
Istok	40.592	34.391	40.183	35.616	41.749	45.591	47.245	34.720	35.879	27.507
Zapad	18.299	16.033	17.580	15.692	19.597	20.545	21.454	20.355	20.202	19.406
11 Oktom.	3.761	2.981	3.440	3.056	3.569	3.751	3.900	3.791	3.694	3.584
Park	1.220	964	1009	871	1.065	1.169	1.191	1.123	1.019	1.050
Total fuel oil	65.668	54.969	62.212	55.235	65.980	71.056	73.790	59.989	60.845	51.546
Equivalent	/	/	/	/	/	/	/	11.159	10.443	17.634
TOTAL:	65.668	54.969	62.212	55.235	65.980	71.056	73.790	71.148	71.237	69.181

Comment: In 1997, 757.999 (m³) of natural gas was also consumed for the commissioning of the boilers in the HP "Istok"

2.6. POWER CONSUMPTION

The total consumption of active electric energy in the heating months of 2000, only in the 2 heating plants, amounted to 17.733.808 (kWh). If we take into account that the planned consumption of electric energy for the year 2000 was 19.925.000 (kWh), the realized total consumption is under the planned level. 185.420 (kWh) of active electric energy has been consumed in the substations, having in mind that the meters were often blocked, and the meter in the Elementary School "Kocho Racin" has been covered up, impossible to make readings of the quantities for a whole year now, so that the consumption in the substations should be taken with certain reserve. We must mention also that the boiler house "Vodno" functions as a substation, i.e. it is using solely the circulation pump.

The variation of power consumption in the past years (1993/2000) is given in the following table.

T8 Power consumption in the period 1993/2000.

Structure	1993 (kWh)	1994 (kWh)	1995 (kWh)	1996 (kWh)	1997 (kWh)	1998 (kWh)	1999 (kWh)	2000 (kWh)
Heating plants	17.113.740	16.636.464	18.819.245	19.357.462	20.387.872	18.837.219	19.120.613	17.733.808
Substations	193.374	191.350	200.580	203.964	187.975	165.636	140.448	185.420
TOTAL	17.307.114	16.827.814	19.019.825	19.561.426	20.575.847	19.002.855	19.261.061	17.919.228

If we compare the consumed quantities of active electric energy in the past several years we can notice that there is a tendency of constant increase of the consumption until the year 1997, when the largest consumption has been registered. The next two years after that there is a mild increase.

The year 2000 registers a reduced quantity of consumed electricity, which is a consequence of the reduced number of working days (hours). In December, a sixth series of circulation pumps was commissioned in the Heating Plant "Istok", which will increase the consumption of electric energy in the future also.

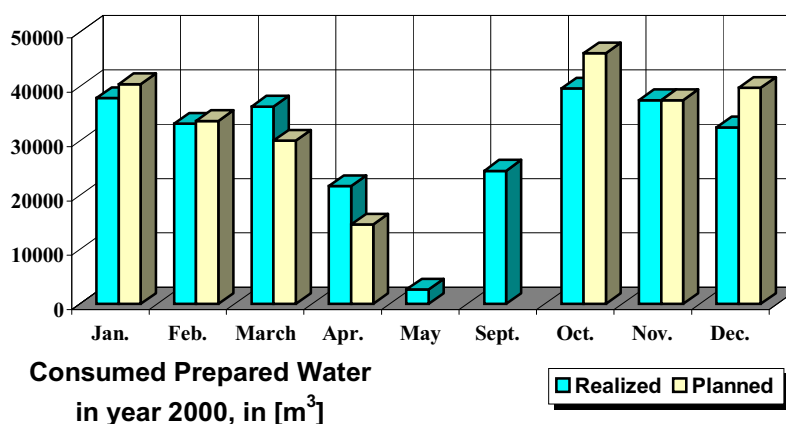
2.7. CONSUMPTION OF CHEMICALLY PREPARED WATER AND SALT

The whole system is supplied with water through the heating plants "Istok" and "Zapad", while only the plant "11 Oktomvri", which is not connected to the rest of the system, supplies its own water. The consumption of chemically prepared water for the heating plants for each month in year 2000 is given in the following table. The data has been supplied from the Department of Chemical Preparation of Water.

T9 Consumption of chemically prepared water in the months of 2000.

	Istok (m ³)	Zapad (m ³)	11 Oktom. (m ³)	Total (m ³)
January	20303	16084	1431	37818
February	21267	11281	600	33148
March	24809	10946	563	36318
April	13347	7840	467	21654
May	1209	1327	143	2679
September	17588	5629	1246	24463
October	21652	15932	2043	39627
November	17196	18374	1887	37457
December	15402	15000	2082	32484
TOTAL:	152773	102413	10462	265648

The following graph gives a picture of the consumption of the chemically prepared water per month in 2000.



The previous graph gives a picture of the consumption of chemically prepared water in each of the months of year 2000. The plan for 2000 intended a quantity of 241.900 (m³) prepared water. The realized consumption of 2.265.648 (m³) is above the planned quantity for 23.748 (m³) or 9,82% of the total amount. Compared with the consumption for

1999 of 286.224 (m³), the greatest quantity of consumed water until now, there was a somewhat lesser consumption in 2000.

The following table presents the consumption of industrial salt per month in 2000 as well as in the previous several seasons. Obviously the increased quantity of consumed prepared water has caused an increased consumption of salt, as well, for its regeneration.

T.9a. Consumption of industrial salt in the heating plants in 1992/2000.

	1992 (kg)	1993 (kg)	1994 (kg)	1995 (kg)	1996 (kg)	1997 (kg)	1998 (kg)	1999 (kg)	2000 (kg)
Istok	123.500	122.500	91.650	116.400	78.050	96.600	132.950	150.000	125.400
Zapad	98.750	98.700	111.300	118.900	90.850	101.650	102.850	87.830	92.000
11 Okt.	2.600	6.200	7.400	5.470	7.200	6.400	6.000	10.950	13920
TOTAL:	221.800	227.400	210.350	240.770	176.100	204.650	241.800	248.780	231.320

Taking into account the planned quantity of salt of 241.900 (kg), the actual consumption is under this level.

The specific consumption of salt in 2000 amounts to 0,82 kg/m³ for Heating Plant "Ist*ok", 0,90 (kg/m³) for Heating Plant "Zapad" is better than planned, while the Boiler House "11 Oktovri" this amounts to 1,33 (kg/m³).

2.8. PRODUCED HEAT

A total amount of 682.682 MWh of heat was produced in the heating months of 1999, which is somewhat under the planned quantity for the year of 701.538 MWh. The following table gives the data on produced heat per heating plant per month during 2000, having in mind that the production of heat with fuel oil and gas, as well as the total amount, in plant "Istok" are given separately.

T10. Production of heat in months and per heating plants in 2000.

	Istok-fuel oil (MWh)	Istok-gas (MWh)	Istok (MWh)	Zapad (MWh)	11 Okt. (MWh)	Park (MWh)	Total (MWh)
January	95.691	28.715	124.406	51.545	8.706	2.637	187.293
February	67.760	15.316	83.076	36.917	6.360	1.820	128.172
March	32.520	33.337	65.857	27.616	4.708	1.440	99.621
April	13.976	2.990	16.966	7.844	1.235	.435	26.480
October	20.432	1.159	21.591	8.982	1.555	491	32.619
November	11.985	41.101	53.086	22.541	3.807	1.151	80.584
December	28.742	55.136	83.878	35.824	6.544	1.666	127.912
TOTAL:	271.106	177.755	448.860	191.269	32.915	9.639	682.682

Of the total heat produced, 2% is used for our own (technological) needs and the rest is delivered to the customers. The total heat delivered from the plants amounts to 669.296 MWh. The quantity of delivered heat from all heating plants for 2000 are stated in the following table.

T10a. Delivery of heat at the exit of the heating plants in 2000.

	Istok (MWh)	Zapad (MWh)	11 Oktom. (MWh)	Park (MWh)	Total (MWh)
January	121.966	50.534	8.535	2.585	183.621
February	81.447	36.193	6.235	1.784	125.659
March	64.566	27.074	4.616	1.412	97.668
April	16.634	7.690	1.211	426	25.961
October	21.168	8.806	1.524	481	31.979
November	52.045	22.099	3.732	1.128	79.004
December	82.233	35.121	6.416	1.633	125.404
TOTAL:	440.059	187.518	32.269	9.450	669.296

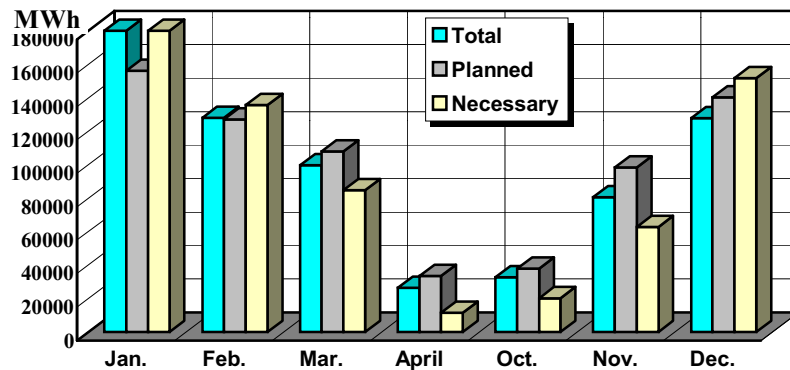
Several years now, the losses from the distributive network are calculated at 17%, so that the total delivered heat to the customers amounts to 572.048 MWh. The following table presents the values of delivered heat to the consumers

from each of the plants per month of the heating season.

T10b. Delivered heat to the consumers in 2000.

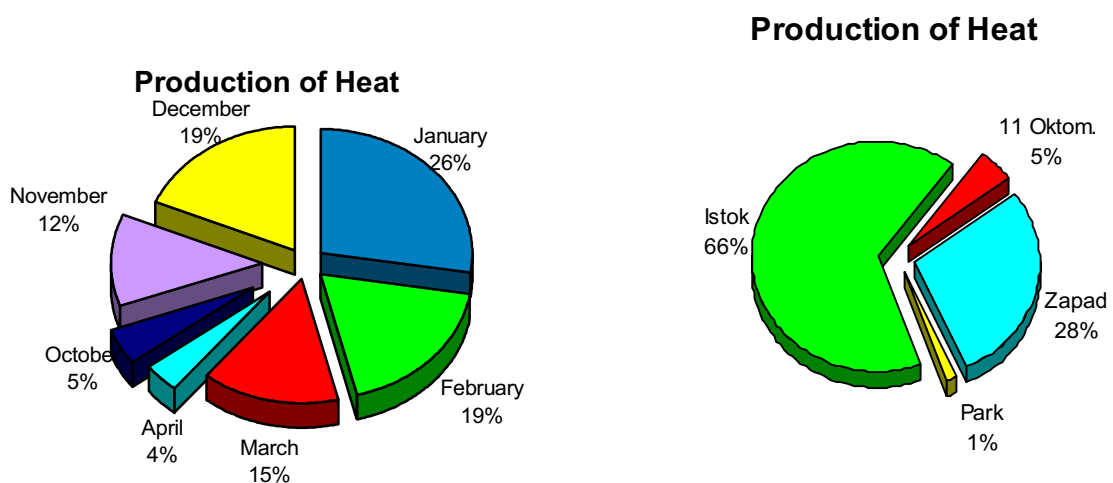
	Istok (MWh)	Zapad (MWh)	11 Oktom. (MWh)	Park (MWh)	Total (MWh)
January	104.245	43.192	7.295	2.209	156.941
February	69.613	30.934	5.329	1.525	107.401
March	55.185	23.140	3.945	1.207	83.477
April	14.217	6.573	1.035	364	22.189
October	18.092	7.526	1.303	411	27.332
November	44.483	18.888	3.190	964	67.525
December	70.285	30.018	5.484	1.396	107.183
TOTAL:	376.119	160.272	27.581	8.077	572.048

The calculated necessary heat for the heating period in 2000 amounts to 689.766 MWh, which means that the needs are fully met. A comparison of the produced, planned and necessary heat is graphically depicted in the following graph.

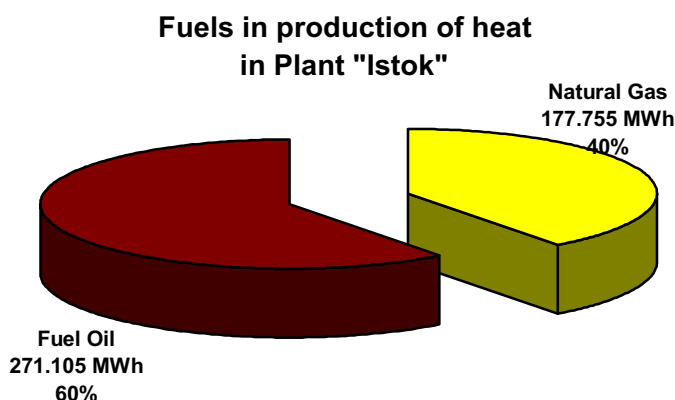
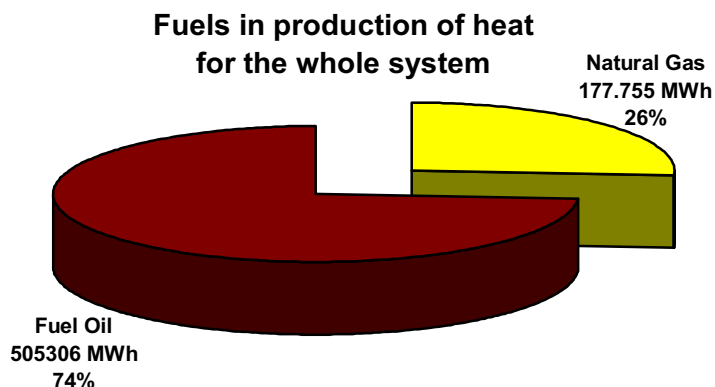


Comparison of Produced, Planned and Necessary Heat in 2000

The production of heat from the separate plants and in the months of the heating season in year 2000 are given with the following pies.



The previous pie shows that in the year 2000 the month of January dominates with its "production" of heat as compared to the rest of the heating months, most of all because of the registered low outside temperatures.



Throughout 2000, gas was used as well as fuel oil in the heating plant "Istok". The produced heat through combustion of gas, expressed in percentages, compared with the total production of heat in the plant "Istok" amounts to 39,6%. Compared to the total produced heat in the whole district heating system the percentage of heat produced with gas amounted to 26,0%.

In comparison with the previous year this percentage of heat produced with gas has increased.

The previous graphics present the percentages of natural gas and fuel oil in the production of heat, only in plant "Istok" and in relation to the total produced heat in the district heating system.

3. FINANCIAL FLOWS IN 2000

Based upon the projection of the annual financial calculation of the company for the year 2000, basic financial flows are determined in the activity of Toplifikacija AD - Skopje. First the basic aggregate positions are determined of the financial flows of the company in the following table T.20.

T.20. Basic financial aggregate positions in 2000/1999

amounts in (000) Denars

ELEMENTS	Previous year I-XII- 1999	Current year I-XII- 2000	Column 3(%)	Index (3:2)
1	2	3	4	5
1. Realized total revenues	1.058.318	1.278.243	100,00	120,78
2. Realized total expenditures	948.461	1.178.293	92,18	124,23
3. Gross profit (1-2)	109.857	99.950	7,82	90,98
3.1 Fiscal obligations from the profit	22.488	14.993	1,17	66,67
3.2 Net profit (3-3.1)	87.369	84.957	6,65	97,24

In continuation of the report, certain positions of the financial flows of Toplifikacija for the year 1999, in comparison with the previous year are shown in tables.

T.20.a. Review of balance positions in the financial flows of Toplifikacija AD - Skopje in 2000/99.

ELEMENTS	amounts in (000) Denar		On Column 3		00/99
	1999	2000	%	%	3:2
1	2	3	4	5	6
I. Balance of revenue positions	1.058.318	1.278.243	100,00	100,00	120,78
1. Heat	988.785	1.125.314	88,04	88,04	113,81
- residential space	577.555	638.600	49,96	49,96	110,57
- business space	411.230	486.714	38,08	38,08	118,36
2. Other activities	69.533	152.929	11,96	11,96	219,94
- revenues from financing (rates)	21.142	14.587	1,14	1,14	69,00
- insurance (rev. from paid damages)	5.743	18.964	1,48	1,48	330,21
- own products and services in the investments for fixed assets in Toplifikacija	772	1.025	0,08	0,08	132,77
- court taxes paid	0	59.274	4,64	4,64	0
- design and supervision	7.242	1.242	0,10	0,10	17,17
- sale of waste materials	8.857	27.477	2,15	2,15	310,23
- other activities	930	925	0,07	0,07	99,46
II. Balance of expenditure positions	948.461	1.178.293	100,00	92,18	124,23
1. Consumed raw materials, spare parts, small inventory, etc.	27.157	24.098	2,05	1,89	88,74
2. Office materials	3.505	2.429	0,21	0,19	69,31
3. Fuel for the basic activity	472.672	732.355	62,15	57,29	154,93
a) Fuel oil	392.958	521.355	44,24	40,78	132,67
b) Natural gas	79.714	211.000	17,91	16,51	264,70
4. Power	42.731	47.637	4,04	3,73	111,48
5. Gasoline, diesel/light oil and lubricants	1.602	3.112	0,27	0,24	194,26
6. Transportation and PTT services	4.391	5.094	0,43	0,39	116,01
7. Services for current and investment maintenance of the assets	33.324	18.316	1,56	1,43	54,96
8. Reservation of costs and risks	24.000	0	0	0	0
9. Public utilities, products and services	34.321	22.290	1,89	1,74	64,95
- Court taxes	0	3.108	0,26	0,24	0
- Intellectual services	7.249	1.242	0,11	0,10	17,13
- Bank services	1932	3.458	0,29	0,27	179,00
- Taxes for registering the company	2.289	2.367	0,20	0,18	103,41
- Costs for "Skopje-Sever"	5.095	25	0,01	0,01	0
- Other costs	7.597	1.759	0,15	0,14	23,15
10. Techn. prepared water	9.778	9.214	0,78	0,72	94,23
11. Depreciation/Amortization	89.191	100.422	8,52	7,86	112,59
- Depreciation according to the min. determined rate	50.661	57.770	4,90	4,52	114,03
- Revaluation of the depreciation	35	2.541	0,21	0,20	7260,0
- Depreciation of the grid	38.495	40.111	3,41	3,14	104,20
12. Insurance premiums on work assets of Toplifikacija	24.835	10.869	0,92	0,85	43,76
13. Non-material costs	46.039	46.083	3,91	3,61	100,00
a) Transport and nourishment of the workers	20.959	20.678	1,75	1,62	98,66
b) Other non-material costs	25.080	25.405	2,16	1,99	101,30
* Travel costs	857	1.174	0,10	0,09	137,00
* Labor association	18.297	17.273	1,47	1,35	94,40
* Vacation money	3.652	3.812	0,32	0,30	104,38
* Jubilee awards	544	866	0,07	0,07	159,19
* Representation and solidarity help	1.730	2.280	0,20	0,18	131,79
14. Gross salaries in Toplifikacija	113.782	122.654	10,41	9,60	107,80
- Net salaries and compensations	63.827	68.654	5,83	5,37	107,56
- Deductions and taxes	49.955	54.000	4,58	4,23	108,10
15. Financing expenditures (bank rates)	7.299	10.482	0,89	0,82	143,61
16. Extraordinary expenditures (writing of receivables)	1.197	3.313	0,28	0,26	276,78

17. Other costs of operation	12.637	19.925	1,69	1,56	157,67
* Sale of fuel oil (purchase value)	9.502	6.031	0,51	0,47	63,47
* Spare parts and raw materials (purchase value)	1.789	11.622	0,99	0,91	649,64
* Various taxes and contributions	1.346	2.272	0,19	0,18	168,80
III. Gross profit (I-II)	109.857	99.950	100,00	7,82	90,98
1. Tax on profit	22.488	14.993	15,00	1,17	66,67
2. Net profit (III -III/1)	87.369	84.957	85,00	6,65	97,24
III/1 Allocation of profit	87.369	84.957	85,00	6,65	97,24
1. Non-allocated profit	87.369	84.957	85,00	6,65	97,24

3.1. BALANCE OF REVENUES

In the calendar year of 2000 the realization of the activity of Toplifikacija is carried out in conditions of a mainly identical monetary economic policy in Macedonia, realization of the production of heat of 682682 MWh, heat consumption of our clients of 563,647 MW, as well as other achievements which are mainly in accordance with the Annual Business Plan of the company. .

During 2000 only one changes were registered in the Services Tariff of Toplifikacija. With a validity from 01.08.2000 the Tariff of Toplifikacija has been revised, increasing 12,74 %. It should also be mentioned that during 2000, Toplifikacija has submitted another request for the revision of the price of heat, dated 26.10.2000 for an increase of 12.04 %. The Government of Macedonia has, until today, still not given a positive answer to this Request.

In context of such an economic situation, according to table 20/a, it is determined for the report year 2000 that the balance of revenue positions in the operations of Toplifikacija AD - Skopje is a total amount of: 1.278,243 mil.Denars, which is in accordance with the results from the activities of Toplifikacija.

Based upon such data an increase of the revenues of Toplifikacija AD has been registered amounting 20,78% for this period, which is due to the increase of the price of heat since 1.08.2000, a larger consumption by the clients, as well as a higher realization in the other fields of activity of Toplifikacija.

The mass of the balance of the revenue elements in 2000, amounting 1.278,243 mil.Denars consists mostly of the achievements realized through the basic activity - delivery of heat - amounting to 1.125,314 mil.Denars or 88,04%, and is made up of the following positions:

- Residential space: 638,600 mil.Denars or 49,96%
- Business space: 486,714 mil. Denars or 38,08%

The achievement in the additional activities is determined for year 200 at a value of 152,929 mil.Denars, or 11,96 % participation in the mass of the total revenues of the company. These revenues are made up of the following revenue positions:

- Revenues from financing 14,587 mil.Denars
- Revenues from insurance of assets 18,964 mil.Denars
- Own products in the investments 1,025 mil.Denars
- Maintenance investments and expansion of the grid 59,274 mil.Denars
- Paid court taxes 1,242 mil.Denars
- Paid previously written off receivables from the past period 27,477 mil.Denars
- Design and supervision 0,925 mil.Denars.
- Sales of waste materials 19,691 mil.Denars
- Other revenues 9,774 mil.Denars

The revenues from other activities in 2000 amounting 152,929 mil.Denars are registering an increase of 119,94 %, and they are in function of the basic activities of Toplifikacija AD.

The Balance of Expenditures of Toplifikacija AD in the year 2000 has been determined at 1.178,293 mil.Denars. This represents an increase of the total costs in the operation of the company in 2000 of 24,23 %, and at the same time the costs of fuel have increased 54,93 % compared with the previous period.

By comparing the Revenues with the Expenditures from the Balance for 2000 in table 20/a, a positive financial result is determined in the operation of Toplifikacija AD - Skopje at the end of the year 2000 with a gross profit amounting to 99,950 mil.Denars. From this profit, the tax obligations from profit amount to 14,993 mil.Denars, while the net profit from the operation of Toplifikacija in 2000 is an amount of 84,957 mil. Denars

3.2. BALANCE OF EXPENDITURES

In order to realize the full scope of activities of Toplifikacija AD, at the end of the report period for the year 2000, according to table 20/a expenditures in the operation of Toplifikacija have been determined with a value of 1.178,293 mil.Denars. In comparison with the previous period this is an increase of the expenditures amounting to 229,832 mil.Denars or 24,23 %.

The increase of operation expenditures of Toplifikacija AD in this period is greatly due to the expansion of costs for fuel for our activities, i.e. 54,93 % compared with 1999, as well as to the increase of the costs of certain energy resources necessary for our operation.

The expenditures in the Balance Sheet of Toplifikacija AD in 2000 are stated in tables 20/a and 20/b, here following :

Energy fuels in the activity of Toplifikacija AD according to table 20/b for the year 2000 amounts to (equivalent of fuel oil) 69.181 tons. The financial funds for this quantity of consumption of fuel an amount of 732,355 mil.Denars has been set aside, which is 57,29 % of the mass of total expenditures in the operation of Toplifikacija AD in the year 2000.

According to the table the financial funds set aside for fuel consumption are registering an increase of 54,93 %, which is due to a registered increase of the ponder price for fuel from 6.635,2 Denars/ton to 10.586 Denars/ton, or an increase of 59,54 % in comparison with the previous period.

T.20.b. Realized consumption of basic energy sources in the activity in 2000/1999.

ELEMENTS	1999	2000	3:2
1	2	3	4
1. Fuel, in equivalent quant. fuel oil (t)	71.237,1	69.181	97,11
- amounts in (000) Den	472.672	732.355	154,93
- pondered price Den/t	6.635,2	10.586	159,54
a) Fuel oil (t)	60.794,4	51.546	84,78
- amounts in (000) Den.	392.958	521.355	132,67
- pondered price Den/t	6.463,7	10.114	156,49
b) Natural gas in m _n ³	12.568.650	21.224.449	168,88
- fuel oil equivalent (t)	10.442,7	17.635	168,88
- amounts in (000) Den.	79.714	211.000	264,70
- pondered price Den/t	7.633,5	11.964	156,69
2. Electric power in MWh	19.261,0	17.919	93,03
- amounts in (000) Den.	42.731	47.637	111,48
- pondered price Den/MWh	2.218,5	2.658	119,83

T.21. Average annual net salary per employee in Toplifikacija AD 2000.

Degree of education	Realized in 1999		Realized in 2000		Index	
	number of employees	average annual salary	number of employees	average annual salary	4:2	5:3
1	2	3	4	5	6	7
University - High education	31	22.470	30	24.800	96,77	110,36
University - Higher education	19	16.500	16	18.210	84,21	110,36
Secondary Education	171	12.090	170	13.240	99,41	109,51
Lower Education	0	0	0	0	0	0
Highly Qualified	39	14.940	35	16.980	89,74	113,65
Qualified	109	13.500	110	14.930	100,91	110,59
Half-qualified	6	11.760	6	12.640	100,00	107,48
Non-qualified	13	8.300	13	9.100	100,00	109,63
Total for all	388	13.700	380	15.060	97,93	109,92

Only those employed and active in Toplifikacija during the whole period have been taken into account in the previous table.

3.3. BALANCE OF CONDITIONS ON 31.12.2000*T.22. Conditions of the working assets of Toplifikacija on 31.12.1999*

POSITION	Current value of assets -10 ³ Den		Column 3	index
	1999	2000	%	3:2
1	2	3	4	5
I. Assets	1.929.109	1.944.322	100,00	100,79
1. Permanent assets	1.079.856	1.293.880	66,55	119,82
1.1. material assets	1.018.104	1.078.678	55,48	105,95
- buildings	345.548	377.652	19,42	109,29
- equipment	667.206	605.409	31,14	90,74
- material assets in preparation	5.350	95.617	4,92	17,87
1.2. Non-material assets	584	0	0	0
- - Founding costs	584	0	0	0
1.3. Financial investments (long-term)	61.168	215.202	11,07	351,82
- Shares in linked units	52.611	150.617	7,75	28,63
- Investments in securities	7.797	64.585	3,32	8,28
- Other investments	760	0	0	0
2. Working (Current) capital	847.746	650.442	33,45	76,33
a) Stock	212.772	166.475	8,56	78,24
- raw materials	119.037	118.509	6,09	99,56
- advanced paym., deposits, caution money	93.735	47.966	2,47	51,17
b) Short-term claims	544.023	465.132	23,92	85,50
- claims from buyers	542.465	451.278	23,21	83,14
- claims from employees	633	1.271	0,06	200,79
- other claims	925	12.583	0,65	1360,32
v) Financial investments (short-term)	40.000	0	0	0
g) Currency and securities	50.951	18.835	0,97	36,97
3) Costs paid for a future period	1.507	0	0	0
II. Liabilities (Sources of funds)	1.929.109	1.944.322	100,00	100,79
1. Capital reserves	1.714.572	1.516.368	77,99	88,44
1/1. Called up capital	1.429.594	1.394.100	71,70	97,52
1/2. Legal reserves	139.040	0	0	0
1/3. Accumulated profit	58.569	37.310	1,92	63,70
1/4. Profit from the financial year	87.369	84.958	4,37	97,24
2. Long-term reserves for risks	24.000	24.000	1,24	100,50
3. Long-term and short-term liabilities	189.340	402.334	20,69	212,49
- liabilities for investments	238	743	0,04	312,18
- liabilities towards linked subjects	40.000	0	0	0
- liabilities for loans and credits	12.518	127.300	6,55	1016,94
- liabilities for advanced payments, deposits and caution money	33.193	48.055	2,47	144,77
- liabilities to the suppliers	100.597	199.698	10,27	198,51
- liabilities for taxes and contributions	2.794	26.538	1,36	949,82
4. Delayed payment of costs	1.197	1.620	0,08	135,34

4. SHAREHOLDING

4.1. Privatization and transformation of capital

After a lengthy procedure Toplifikacija AD - Skopje was re-registered in a new transformed form on 05.04.1999 becoming a totally privatized company. The procedure was carried out in accordance with the procedure of "Privatization by all employees".

Only the above-ground sources, two heating plants and 3 boiler houses, were the subject of this transformation of Toplifikacija AD - Skopje. The grid remains the ownership of the state. The grid has, nevertheless, been given as a concession to Toplifikacija AD - Skopje for maintenance and operation. Any sort of further investment in the grid will be treated as an equity investment by Toplifikacija.

As the company was assessed at 45.000.000 DEM, and a total of 450.000 shares were issued. This was allocated in the following manner.

Pension Fund	Priority shares	21.323	4,7 %
Privatization Agency	Priority shares	38.024	8,5 %
	Ordinary shares	75.943	16,9 %
Individuals (employees, pensioners from Toplifikacija,...)	Ordinary shares	314.690	70 %

* Priority shares are shares which do not give a management right but do bring the right to a dividend. Ordinary shares give both management and dividend rights.

Toplifikacija AD - Skopje has immediately negotiated a favorable purchase of an additional 10% of the total number of shares from the Privatization Agency of Macedonia. In the contract with the Agency, Toplifikacija has reserved the right to purchase 10 % of the total mass, or 45.000 shares, within the next 5 years. By now approximately 2% has been bought off (, the remainder will be paid each year. This has caused the following share distribution.

Pension Fund	4,7 %
Privatization Agency	23,3 %
Individuals	72 %

Within the group "Individuals" the total initial number of shareholders was 414 persons. This number has somewhat grown with the transactions and transfer of shares now amounting to 560 "Individuals". The maximum number of shares initially held by one person was in average 741 shares. The maximum held by one person was 2203 shares. In the meantime there has been relatively active trading of these shares, yet never in any dominant or large numbers. It seems that people have found it a very sound investment for their saving instead of putting their money in a bank.

Trading with our shares started on 29.06.1999. That year there were 29 days of trade of our shares and a turnover of 231.580 DEM was achieved. The next year, in 2000, there were 76 days of trade of our shares with a turnover of 866.690 DEM.

5. EXPECTED CONDITIONS IN THE NEXT YEAR

5.1. FINANCES AND ORGANIZATION

In the past year we had two unfavorable moments for the company from a financial aspect. The price of crude oil on the world market with an annual average was the highest for the past ten years. Additionally, the value of the Dollar was also at its highest level for the past ten years. This has caused a substantial increase of the price of fuels issued in our system.

In the past year the investment in the District Heating Plant Skopje Sever was finalized and all structures were commissioned. This has caused an additional engagement of financial funds in the current operation as most of this investment was financed through our own current sources.

The increased fuel costs and the additional investment funds for the finalization of DHP Skopje Sever has caused a need for additional funds for current liquidity, which were supplied through short-term credits from domestic commercial banks. By the middle of 2001 it is expected that all short-term credits will be returned. From that moment on the current revenues will be used for the purchase of fuel for the next heating season.

In accordance with the expectations, the sales of shares of Toplifikacija AD at the Macedonian Stock Market has substantially grown so that these shares have become among the most traded shares. It is expected for the following year that there will be an even greater increase of the turnover of our shares. Such trading has until now led to a substantial increase of the number of shareholders in Toplifikacija AD Skopje.

During the year 2000 Elektrostopanstvo na Makedonija /the Power Production Company/ entered the project for the construction of the CHP Plant Skopje, so that together with them we are engaged in the forming of a joint company which will lead the construction of the CHP Plant. The share of Toplifikacija AD in that company would be the same as in the previous planning, 20%.

In 2001 special attention will be given to the improvement of the organization of operation and the defining of procedures for the realization of each task in the company. A substantial improvement of the quality of work should be achieved through this and a reduction of the costs of operation

5.2. TECHNICAL AND TECHNOLOGICAL ASPECTS

The activities of the technical and technological plan for 2000, as in the previous year, will be directed towards:

- revitalization of the basic technological elements;
- increase of the technological security of the system;
- modernization of the existing equipment

The activities in the previous period have finalized the revitalization of heat sources and the revitalization of the distributive grid.

A greater technological security of the system has been achieved through the realized activities, and this security must be maintained in the forthcoming period.

In the year 2000 the use of natural gas will continue with a gradual increase of the quantities used in the heating plant TO "Istok".

First priority in the next year will also be given to the improvement of the characteristics of our heat sources in relation to the environment. In this sense, of crucial importance is the maintenance of the monitoring system, increase of consumption of natural gas and the use of high quality types of fuel oil.

In 2001, the start is expected of measurement of consumption of heat in all connected structures to the district heating system.

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