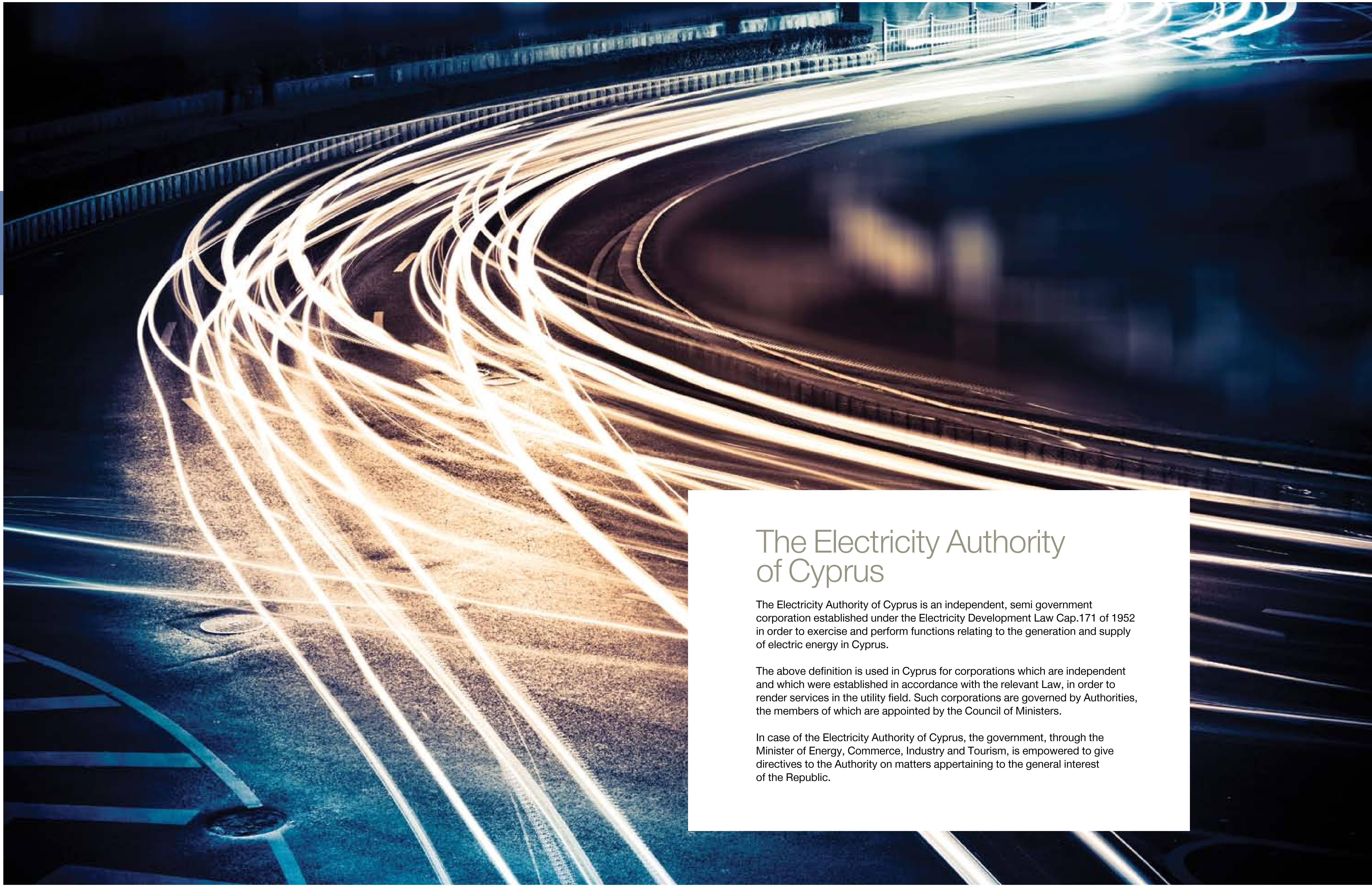
Electricity Authority of Cyprus

Annual Report 2013

individual
actions,
individual
talents,
individual
identities.

we all however,
share the same
desire to offer
a life filled with light
and an everyday
reality filled
with energy.



The Electricity Authority of Cyprus

The Electricity Authority of Cyprus is an independent, semi government corporation established under the Electricity Development Law Cap.171 of 1952 in order to exercise and perform functions relating to the generation and supply of electric energy in Cyprus.

The above definition is used in Cyprus for corporations which are independent and which were established in accordance with the relevant Law, in order to render services in the utility field. Such corporations are governed by Authorities, the members of which are appointed by the Council of Ministers.

In case of the Electricity Authority of Cyprus, the government, through the Minister of Energy, Commerce, Industry and Tourism, is empowered to give directives to the Authority on matters appertaining to the general interest of the Republic.

Our Mission is ...

... to provide our customers with the highest quality of safe and reliable services in the energy sector and in other activities at competitive prices, respecting society, the environment and our people and contributing to the development of our country.

Contents

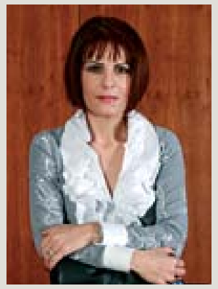
The Year in Brief

		2013	2012	% Increase (Decrease)
GENERATION				
Total units generated	million kWh	3 941,6	4 443,1	(11,3)
Maximum output capacity of power stations	MW	1 478	1 493	(1,0)
Maximum demand met	MW	806	997	(19,2)
Thermal efficiency of generation	%	37,5	33,6	11,6
SALES OF ELECTRICITY				
Sales	million kWh	3 889,8	4 355,6	(10,7)
Consumption in the turkish occupied area	million kWh	6,5	6,5	-
Average charge per kWh sold	€cents	20,488	22,188	(7,7)
Consumers at 31 December	thousand	549,4	548,5	0,2
FINANCE				
Total income	€ thousand	907.777	1.185.139	(23,4)
Operating costs	€ thousand	797.898	1.084.647	(26,4)
Other losses net	€ thousand	3.324	76	4.273,7
Operating profit	€ thousand	106.555	100.416	6,1
Finance costs	€ thousand	12.594	13.960	(9,8)
Tax	€ thousand	20.970	8.935	134,7
Net profit for the year	€ thousand	72.991	77.521	(5,8)
Remeasurement of Pension Plan Obligation	€ thousand	(17.300)	24.305	(171,2)
Capital expenditure	€ thousand	56.795	99.863	(43,1)
Average net assets employed	€ thousand	2.069.637	1.909.220	8,4
Return on average net assets employed	%	5,1	5,3	(3,8)
EMPLOYEES				
Permanent employees in service at 31 December		2 167	2 269	(4,5)
Sales per employee	million kWh	1,80	1,92	(6,3)
Consumers per employee		254	242	5,0

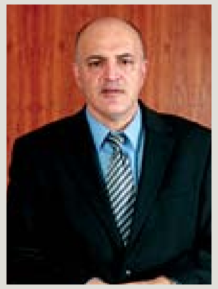
Board of Directors and Management

C. Tsouris
Chairman

G. Pistentis
Vice Chairman

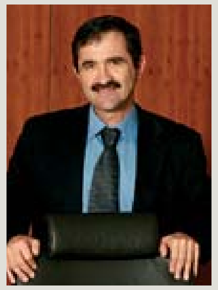


F. Ioannou
Board Member

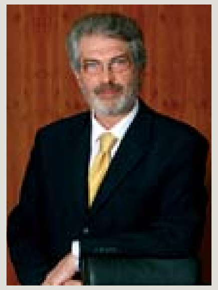


Y. Ioannou
Board Member

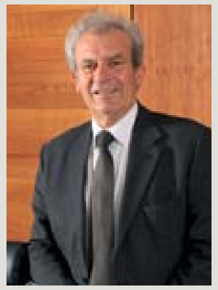
P. Chadjicharalambous
Board Member



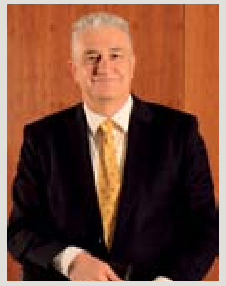
S. Shialaros
Board Member



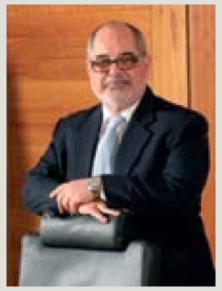
A. Tzitzos
Board Member



A. Oratis
Board Member



K. Kyriacou
Board Member



S. Stylianou
General Manager

THE AUTHORITY

CHAIRMAN

C. Tsouris (since 16/1/2013)	Architect
H. Thrassou (until 15/1/2013)	Civil Engineer, MSc, ex Minister of Communications & Works

VICE CHAIRMAN

G. Pistentis	Businessman - Computers

MEMBERS

F. Ioannou	Economist of National Kapodistriako University, Athens Bank Employee
P. Chadjicharalambous	Mathematics University of Leipzig, Germany
Y. Ioannou	Business Management - Economics - Greece
S. Shialaros	Greek Literature teacher
A. Tzitzos	Economist
A. Oratis	Mechanical Engineer - Teacher
K. Kyriacou	Managing Director Insurance Brokers & Risk Management

LEGAL ADVISERS

Ioannides Demetriou, Lefkosia

AUDITORS

Auditor General of the Republic
PricewaterhouseCoopers, Lefkosia

EXECUTIVE

GENERAL MANAGER

Dr. S. Stylianou
BSc (Eng), PhD, MBA, MIMechE, CEng

EXECUTIVE MANAGER FINANCE

H. Hadjiyerou
FCA, MBA

EXECUTIVE MANAGER CUSTOMER SERVICE

C. Paroutis
BSc (Eng), MIET

EXECUTIVE MANAGER NETWORKS

Vacant
(since 1/12/2013)

V. Efthimiou
BSc (Eng), MSc, PhD, MIET
(until 30/11/2013)

EXECUTIVE MANAGER GENERATION

A. Patsalis
BSc (Eng), MIOSH

EXECUTIVE MANAGER COMMON SERVICES

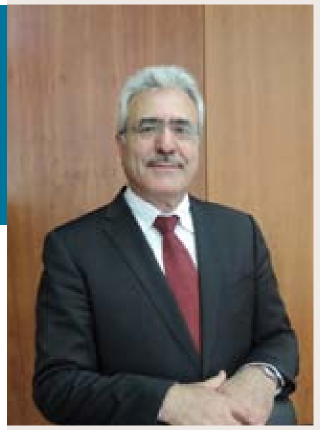
Vacant
(since 29/3/2013)

A. Valanides
BSc Computer Science
Member of Cyprus Computer Society
(until 28/3/2013)

EXECUTIVE MANAGER CORPORATE DEVELOPMENT

Vacant

Chairman's Message



At a time when enormous changes are taking place in both the financial and social environment, I will attempt to give a brief outline of our Organisation's progress in 2013. The global financial crisis has indeed brought about radical changes which, unfortunately, had consequences for Cyprus too.

Before referring to what the EAC achieved in 2013, I consider it my duty first to thank the previous Chairman of the EAC Board, Charalambos Tsouris, for his services to the Authority during the year he served as Chairman.

These are very difficult times for Cyprus and the effort that each of us must make from our own particular position is of prime importance. First of all, we need to understand that the Memorandum of Understanding agreed between the State and our international lenders obliges us to make significant changes to our mentality as well as to our work environment. For the same reason, within the Organisation we shall be forced to change things for the good of the EAC and the country as a whole. The Board of Directors will work to implement these changes, always guided by what is in the best interest of Cyprus.

I recognise that the people of the EAC have been upset by recent developments that directly concern the future of semi-government Organisations in Cyprus. I wish to stress to each member of our personnel that collective and methodical work by all of us on this issue will lead the Authority into a new era.

The new Board, in collaboration with the EAC's Management and the unions, will address this issue zealously and make an in-depth study of all its aspects, in order to provide proper solutions to the personnel matters that will undoubtedly arise.

Among the statistics contained in the pages of this Annual Report are those that depict the Organisation's financial state. The fact that global oil prices remained extremely high in 2013 resulted in fuel costs representing almost 60% of the EAC's total expenses. This percentage illustrates, on the one hand, the Authority's long-term dependence on international oil prices and, on the other, the need to find an alternative fuel for electricity generation and cultivate energy awareness.

Revenue from billed sales of electricity for the year amounted to €796.930.000, a reduction of €169.622.000 or 17,5%. Total operational expenses amounted to €797.898.000, a reduction of €286.749.000 or 26,4%. Taking into consideration finance costs of €12.594.000, profit before tax was €93.961.000 compared to €86.456.000 the previous year. After a provision of €20.970.000 for tax, net profit for the year was €72.991.000 compared to €77.521.000 in 2012.

In 2013, EAC proceeded to complete a number of significant infrastructure projects concerning both Generation and Transmission/Distribution with the aim of ensuring the uninterrupted supply of electricity throughout Cyprus.

The most important project for EAC in 2013 was the completion of work on rebuilding Vasilikos Power Station which, as we all know, was almost totally destroyed on 11 July 2011 as a result of the explosion at the Evangelos Florakis Naval Base. The 'small miracle', as many experts have aptly described it, took just two years and the project showed once again how, in difficult times, the Electricity Authority responds in record time, making the whole EAC family proud of its achievement. With the return to operation of all the Units at Vasilikos Power Station, its installed capacity is now 868 MW.

Although it is only a few months since I was appointed as Chairman of EAC's Board of Directors, I have seen from the first moment the quality, character and reliability of the Organisation's personnel. Over the past two years, those of us who were outside EAC have watched these people outdoing themselves to carry out the fastest and safest possible repairs to the damage suffered by Vasilikos Power Station. I would like to take this opportunity to congratulate each and every one of them for their efforts, genuine willingness and hard work under such difficult circumstances.

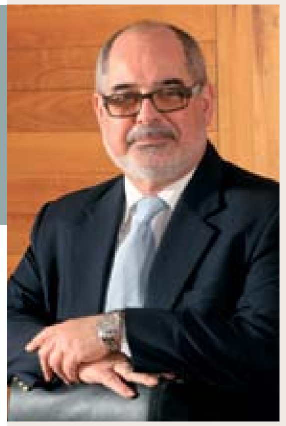
To conclude this brief review of 2013, I wish to express particular thanks to the Minister of Energy, Commerce, Industry & Tourism, Giorgos Lakkotrypis, for his cooperation, and thanks to all the officials at his Ministry.

I also thank the Government, the House of Representatives, the Auditor-General of the Republic, the Cyprus Energy Regulatory Authority, the Transmission System Operator, as well as all the government departments and local authorities with which EAC has cooperated, and the representatives of the Media for publishing the work of the EAC.

Finally, I wish to thank all my associates on the Board of Directors, the General Manager Dr. Stelios Stylianou and the Organisation's Management team, union leaders and every member of the Authority's personnel for the services they provide to EAC's customers.

Othon Theodoulou
Chairman

General Manager's Message



The Electricity Authority successfully continued to provide an uninterrupted supply of electricity in 2013.

The major endeavour that the Organisation began in July 2011, following the destruction of Vasilikos Power Station as a result of the explosion at the Mari naval base, was concluded in 2013. The exertions that each of us made from our own particular post enabled the Authority to show once again the important role it plays in society and in the country's economy. The huge effort, the coordination of tasks, the undertaking of the multiple works to repair the damage to Vasilikos Power Station and the excellent cooperation between EAC and all the relevant bodies led to the successful completion of the project. The final cost of rebuilding Vasilikos Power Station was approximately €165 million, in other words half the optimistic estimate (€330 million) quoted by European experts who had studied the amount of damage.

The degree of consistency and industriousness shown by EAC's personnel under these difficult circumstances are powerful guarantees of support for EAC in the even more difficult conditions that are being created in the new competitive environment in which the organisation is called upon to operate.

In early June 2013, Steam Electric Units 1, 2 and 3 were delivered by the project contractor and brought into commercial operation, while in mid-July 2013 Unit 2 was also brought into commercial operation, thereby completing the full restoration of the power station which will now have an installed capacity of 868 MW. Also in 2013, on 14 October, all the conventional 30 MW Generation Units (No. 3, 4, 5 & 6) were deactivated.

During the course of 2013, the installed capacity of the Transmission Substations increased by 229,5 MVA following significant work carried out on completing and operating vital transmission substations. In June, the 132-22-11kV Stroumbi Substation was energised, interconnecting the Anatoliko and Polis Substations. In October 2013, the Athienou 132/22-11kV Substation interconnecting the Free Industrial Zone (FIZ) Substation and the new GIS type 132kV Dhekelia Substation was energised.

At the same time, upgrading and/or dismantling work took place on the 132/11kV Moni and Latsia Substations and on the 66/11kV International Airport, Pyrgos and Pyla Substations.

In 2013, important work was carried out on overhead power lines and underground transmission cables, including the 132kV Ypsonas-Trimiklini and the 132/11kV Athienou overhead lines, the dismantling of the 66kV Athalassa-Troulli-Dhekelia and Moni-Cement Factory transmission lines and the undergrounding of the Athalassa-Latsia interconnection.

Regarding the expansion and development of the Distribution System, we note that, due to the financial crisis, construction project costs in 2013 amounted to €34 million, compared to €54 million in 2012. As a result, for the purpose of Distribution System expansion and development, some 3 504 studies were completed by the Studies & Planning Sections of the Area Offices, compared to 5 646 in 2012.

During 2013, EAC prepared specifications and published the relevant tender for the purchase and installation of electric vehicle charging points in public car parks. This project is being carried out in collaboration with the Cyprus Energy Agency and the municipalities that will provide charging areas that have been selected jointly. The tenders were evaluated and awarded and the charging point equipment was delivered to EAC at the end of 2013. In 2014 EAC will proceed to install them in the chosen locations.

In the context of its social contribution, EAC continued its support to the Cyprus Anti-Cancer Society in 2013 and at Christmas for the 12th consecutive year we jointly organised the "Light up a Life" event. In 2013 we also continued our support – which started in 2004 – for the enclaved schoolchildren in the schools of Rizokarpaso.

To end this brief message, I would like to express my warm thanks to all my associates and, in particular, the Executive Managers of the Business and Corporate Units and to all the General Management for the their full support, and to promise that the efforts of the entire Management team are focused on finding an immediate solution to any problem facing the Authority. I also wish to thank all the EAC unions and every member of our personnel and I stress that we shall fight for our Organisation's survival and its future.

At the same time, I also thank the previous Chairman of EAC, Charalambos Tsouris, for his collaboration during the year in which he served the organisation. It would be an omission if I were not to express my thanks, too, to all the members of the previous Board of Directors and to wish them the very best. Furthermore I wish to welcome to the new Chairman, Othon Theodoulou, to the EAC family. We shall stand by him and the new Board for the enormous effort that needs to be made to maintain EAC as the most reliable supplier of electricity in the country.

Whatever obstacles we may find in our way, with a collective effort we shall succeed in overcoming them, securing EAC in its role as the Organisation that has made the greatest contribution to the country all these years.

Dr. Stelios Stylianou
General Manager

Business units Corporate units and Managements

Generation Business Unit

GENERATION OF ELECTRIC POWER

During the year 2013, the Electricity Authority of Cyprus continued the implementation of its operational programme which provided for the full utilisation and maintenance of the existing Dhekelia and Moni Power Stations. Moreover the Electricity Authority of Cyprus completed the restoration of the Vasilikos Power Station.

The Steam Units 1 & 3 were delivered by the contractor of the project and were ready for commercial operation in early June 2013 and they have been operating satisfactorily since then. The Steam Unit 2 was delivered by the contractor of the project and entered into commercial operation in mid-July 2013 and since then it has been operating satisfactorily.

Finally, all remaining conventional generator units of the Moni Power Station (Units 3, 4 , 5 & 6) of 30 MW nominal capacity each, were decommissioned since 14 October, 2013.

VASILIKOS POWER STATION

Vasilikos Power Station, with an installed capacity of 868 MW (3 x 130 MW Steam Units, 2 x 220 MW CCGT Units and 38 MW Gas Turbine Unit), generated in 2013, 2 243 261 MWh, which corresponds to 56,9% of the total electricity generated from the Authority's Power Stations. During the same period the Station exported, 2 156 953 MWh which corresponds to 57,2% of the total electricity exported from the Authority's Power Stations.

The thermal coefficient of efficiency of the Steam Units 1, 2 and 3 reached 35,1%, for the CCGT Unit 4 reached 46,1% while for the CCGT Unit 5 reached 46,9%.

DHEKELIA POWER STATION

Dhekelia Power Station, with an installed capacity of 460 MW (6 x 60 MW Steam Units and 100 MW for Internal Combustion Engines (ICE1 & ICE2) Plants), generated in 2013, 1 690 810 MWh which corresponds to 42,9% of the total electricity generated from the Authority's Power Stations. During the same period the Station exported, 1 609 307 MWh which corresponds to 42,7% of the total electricity exported from the Authority's Power Stations.

The thermal coefficient of efficiency of the Steam Units, for units generated, reached 28,0% whereas the corresponding thermal coefficient of efficiency for the Internal Combustion Plants reached 40,6%.

Generation Business Unit

MONI POWER STATION

The installed capacity of Moni Power Station was reduced to 150 MW (4 x 37,5 MW Gas Turbine Units). It is noted that since the 14/10/2013 units 3, 4, 5 and 6 were withdrawn from the installed capacity of the station and the installed capacity of the thermal units has been reduced to 0 MW.

Moni Power Station generated in 2013, 7 555 MWh which corresponds to 0,2% of the total electricity generated from the Authority's Power Stations. During the same period, the Power Station exported, 4 706 MWh which corresponds to 0,1% of the total electricity exported from the Authority's Power Stations.

The thermal coefficient of efficiency of the gas turbines reached 10,7%.

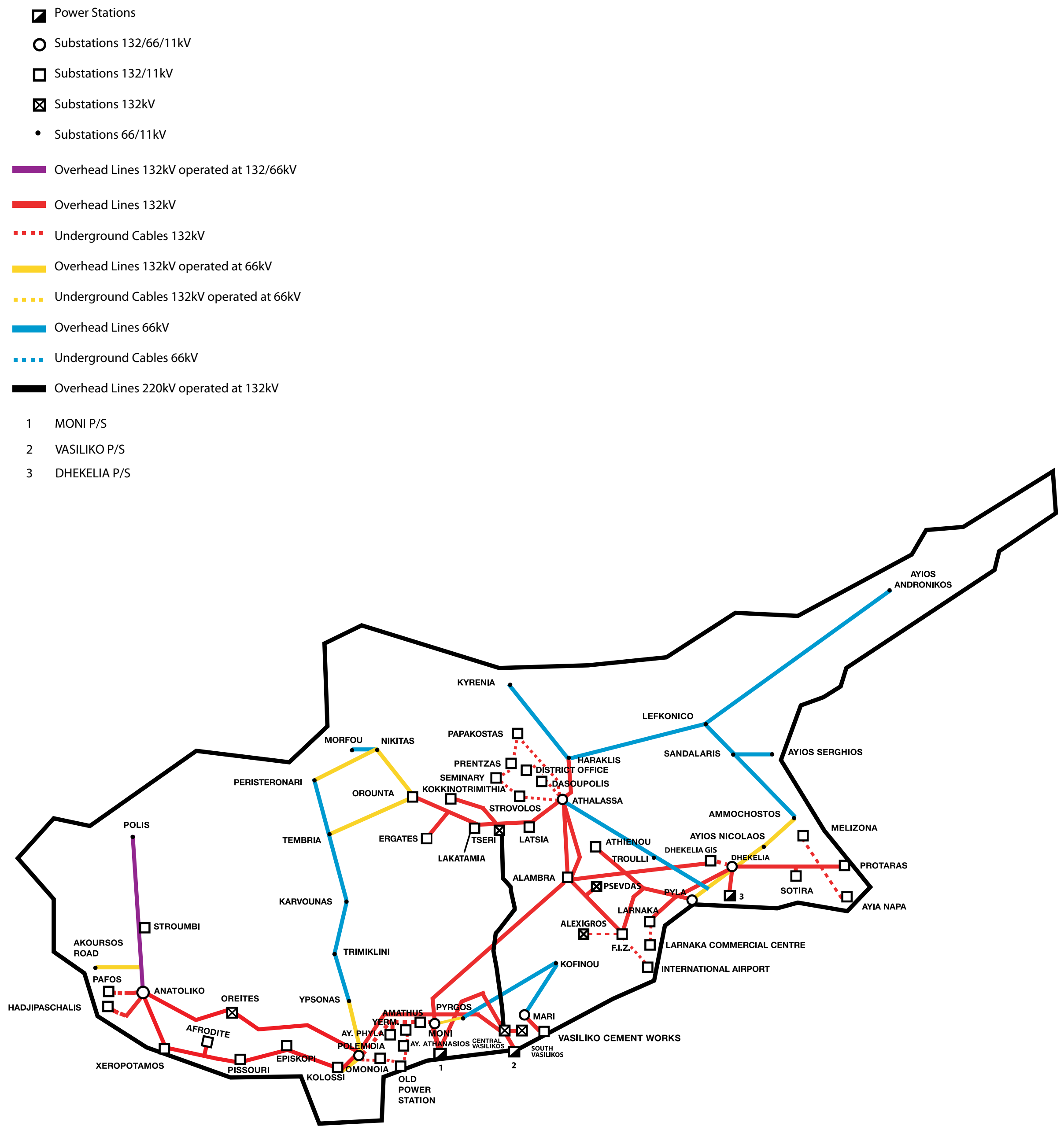
ENVIRONMENTAL ISSUES

For the protection of the environment and the continuous monitoring of the air quality, four mobile air quality units, two at each operating Power Stations (Vasilikos and Dhekelia), were in continuous operation at selected sites in the vicinity of the Power Stations during 2013. These fully equipped units are capable of monitoring the ground level concentrations of dust, nitrogen oxides (NO_x), sulphur dioxide (SO_2), carbon dioxide (CO) and ozone (O_3). The units are also capable of measuring other meteorological data such as the wind speed and direction, the air temperature and the relative humidity.

STUDIES

Officers of the Generation Business Unit were involved in the procedures required for the Accession of Cyprus in the European Union while the above procedures would affect the generation of electric energy.

The Generation Business Unit prepared the verification report with calculations of the carbon dioxide CO_2 emissions for the period January-December 2012 based on the greenhouse gas Emissions Trading Directive. This report was subsequently verified by an external consultant and submitted to the Ministry of Agriculture, Natural Resources and Environment.



Generation Business Unit

SYSTEM OPERATION

Electricity supplied

In 2013 the total number of units generated by EAC's three Power Stations was 3 941 626 MWh, compared with 4 403 106 MWh in 2012, representing a decrease of about 10,48% over the previous year.

Figure 2 (page 22) shows the total number of units generated annually from 2006 to 2013. The predicted generation for the period 2014 - 2021 is also shown.

Generation, Transmission and Distribution Losses

Electricity consumption at the Power Stations amounted to about 4,33% of the total generation, compared with 3,63% the previous year.

Figure 3 (page 22) shows electricity generation and sales distribution to the various consumer categories.

Fuel Consumption

The amount of heavy fuel oil consumed by the Power Stations totalled 647 319 metric tonnes, compared to 895 517 metric tonnes the previous year, representing a decrease of 27,49%.

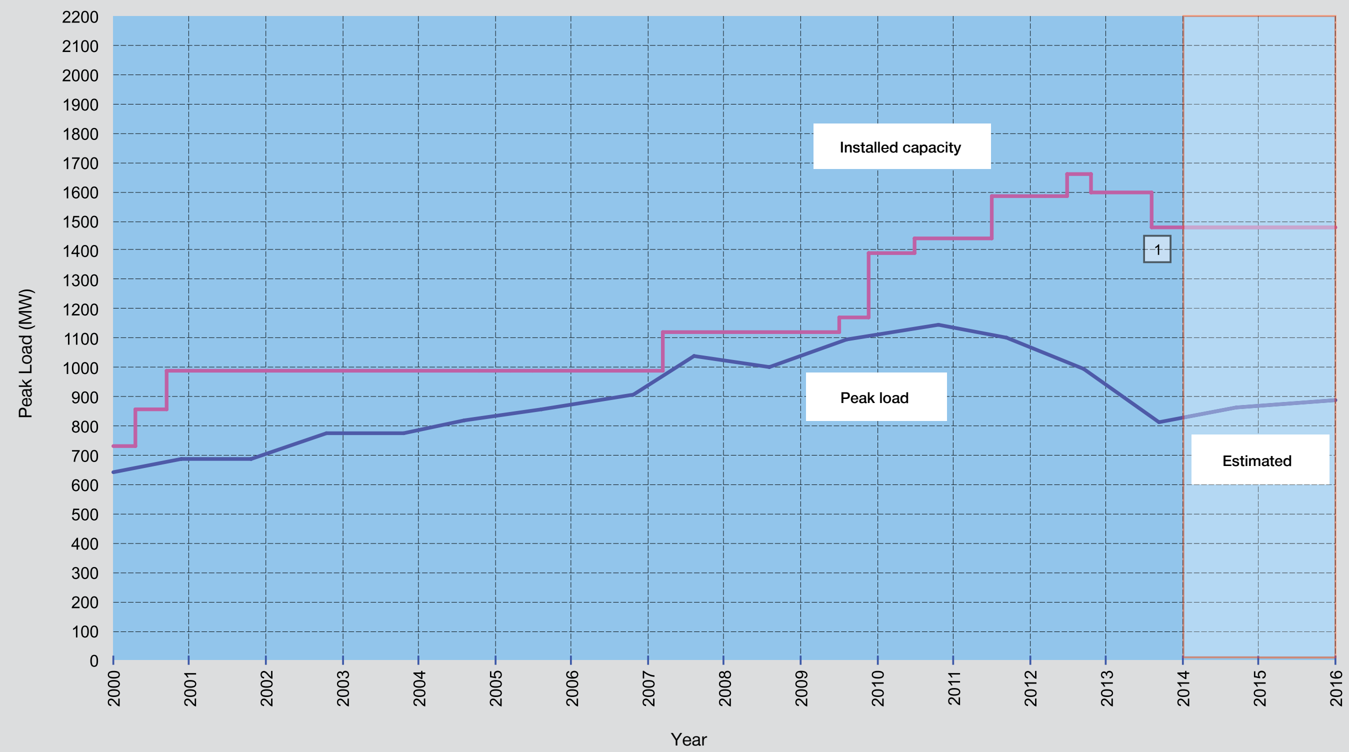
The total quantity of diesel fuel consumed by the Power Stations was 235 752 metric tonnes, compared to 213 854 metric tonnes consumed during 2012, representing an increase of 10,24%.

The average calorific value of the fuel oil used was 42 751 kJ/kg compared to 42 960 kJ/kg in 2012.

Plant Efficiency

Average generating system efficiency in 2013, based on the total units generated by EAC's three Power Stations, was 35,88% compared to 33,57% in 2012. The heat rate per kWh generated was 10 034 kJ/kWh compared to 10 725 kJ/kWh in 2012.

Figure 1



DEVELOPMENT PLAN OF EAC

(1) DE-COMMISSIONING 4 x 30MW = 120MW (STEAM UNITS, MONI) - 2014

Generation Business Unit

Figure 2

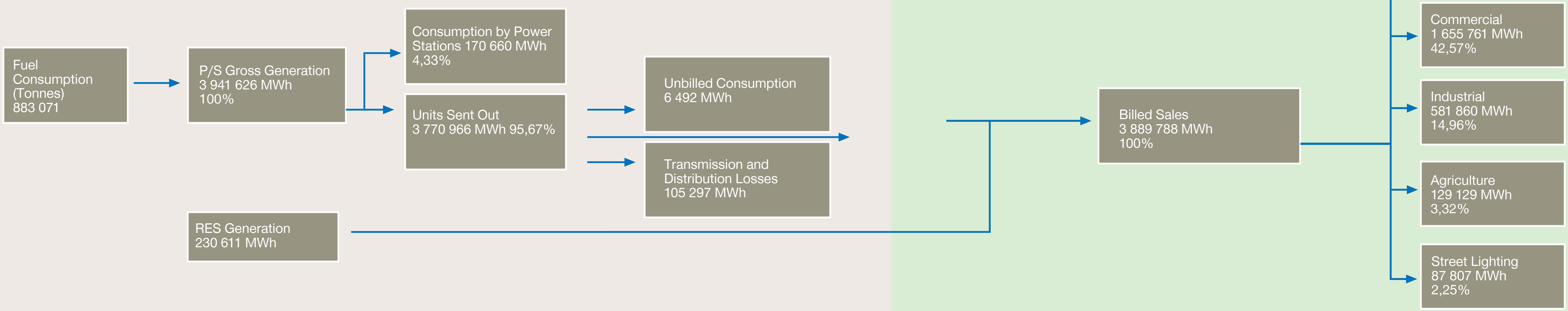
TOTAL GENERATION

(Million kWh)

Note: Since 2009, the figures bellow, include also R.E.S Generation.

Figure 3

Electricity Generation & Sales 2013



Networks Business Unit

The Networks Business Unit (NBU) is EAC's largest Unit and is responsible for the development, maintenance and management of the National Transmission and Distribution Network.

Moreover, the Networks Business Unit is the Distribution System Operator (DSO) responsible for the operation of the Distribution System.

The Transmission and Distribution Management, the four EAC Area Offices as well as the Electronics and Communications, Civil and Building Works and the GIS Network Data System sections all belong to the NBU.

TRANSMISSION NETWORK

INTRODUCTION

The transmission network is the backbone of EAC's system, connecting the power stations to the load centres.

Development works respond to the ever-increasing demand for electricity and, at the same time, increase the reliability of the Transmission System.

During the year under review, the installed capacity of the transmission substations increased by 229,5 MVA.

CONSTRUCTION PROJECTS

In 2013, the following development and upgrading works were carried out on the Transmission Network:

New Substations

Stroumbi 132/22-11kV Substation

The Substation was energised in June 2013. It interconnects the Anatoliko and Polis Substations.

Athienou 132/22-11kV Substation

The Substation was energised in October 2013 and is connected to the Free Industrial Zone (FIZ) and the new Dhekelia GIS 132kV Substation.

Upgrading/Dismantling of existing Substations

Moni 132/11kV Substation

Following the dismantling in September 2012 of the temporary generators installed in June 2012, the switching equipment, circuit-breakers and transformer installations were reinforced with a panel of 22kV circuit breakers to monitor units being used as inductors. In August 2013 the installation of Medium Voltage inductors was completed with a total capacity of 64 MVAR supplied by the existing panel of 22kV circuit breakers.

International Airport Substation

The upgrade of the Substation from 2x35 MVA to 3x40 MVA was completed with the energising of the T1 Transformer in February 2013. A new Medium Voltage SF6 GIS panel was installed for greater reliability of supply to Larnaka International Airport. Replacement work began in September 2013 and is due to be completed during 2014.

Pyrgos 66/11kV Substation

In April 2013 the 10 MVA T1 transformer was replaced by a more powerful one of 15 MVA.

Pyla 66/11kV Substation

The Substation will be upgraded from 2x16 MVA 66/11kV to a 2x40 MVA 132/11kV GIS outdoor type. In 2013, the 16 MVA T2 transformer was dismantled and the new 40 MVA T2 transformer was energised. The outdoor type GIS equipment was installed and energised. The Substation is due to be completed by March 2014.

Latsia 132/11kV Substation

The Substation will be upgraded from 2x31,5 MVA to 2x40 MVA. In 2013 the 31,5 T2 transformer was dismantled and replaced with a new 40 MVA one, which was energised in July 2013. The task of replacing T1 is due to be completed in 2014.

Overhead Power Lines/Underground Transmission Cables

Ypsonas-Trimiklini 132kV overhead power line

Work on the middle section of the line in the Lania area remains at a standstill.

Athienou 132kV overhead power line

Construction work on the new 7,5km 132kV double circuit line to the Athienou Substation was finished in March 2013 and the line was energised in October 2013.

Dismantling of the 66kV Athalassa-Troulli-Dhekelia overhead power line

Following the energising of the new 132kV Athienou Substation, work started on dismantling the old 27km single circuit 66kV Athalassa-Troulli-Dhekelia power line.

Dismantling of the 66kV Moni-Moni Cement Factory overhead power line

Dismantling of the 1,7km single circuit 66kV Moni-Moni Cement Factory line was completed.

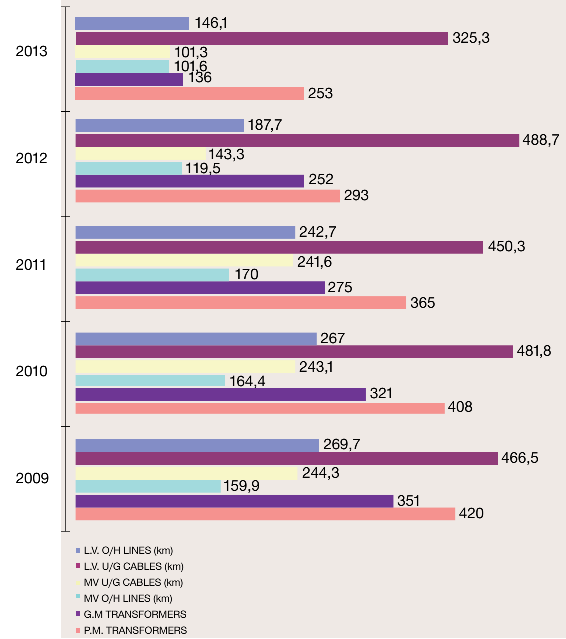
Undergrounding of the Athalassa-Latsia interconnection

EAC is at the preparatory stage of drawing up the commercial terms for the undergrounding of the Athalassa-Latsia interconnection.

Networks Business Unit

Figure 4

NEW DISTRIBUTION PROJECTS EXECUTED IN THE LAST FIVE YEARS



Other Projects

Transmission System Reactive Power Compensation

- 64 MVAr 22 kV inductors have been purchased for installation at Moni Power Station. They are due to be energised in August 2014.
- The tender was awarded for the provision of 2x75 MVAr 132kV variable inductors which will be installed at the Athalassa and Yermasoyia Substations respectively. They are expected to be energised in April 2014.

TRANSMISSION SYSTEM DEVELOPMENT STUDIES

In 2013 the following studies were prepared in collaboration with the Transmission System Operator (TSO):

Lefkosia Area:

The following studies are planned for Lefkosia and the district:

- New Kophinou-Alambra overhead power line (Rubus Twin)

Lemesos Area:

The following studies were completed and approved for Lemesos and the district:

- Ypsonas Industrial Area nodal Transmission Substation
- Upgrading of the Moni Transmission Substation from 66kV outdoor-type to 132kV GIS indoor-type

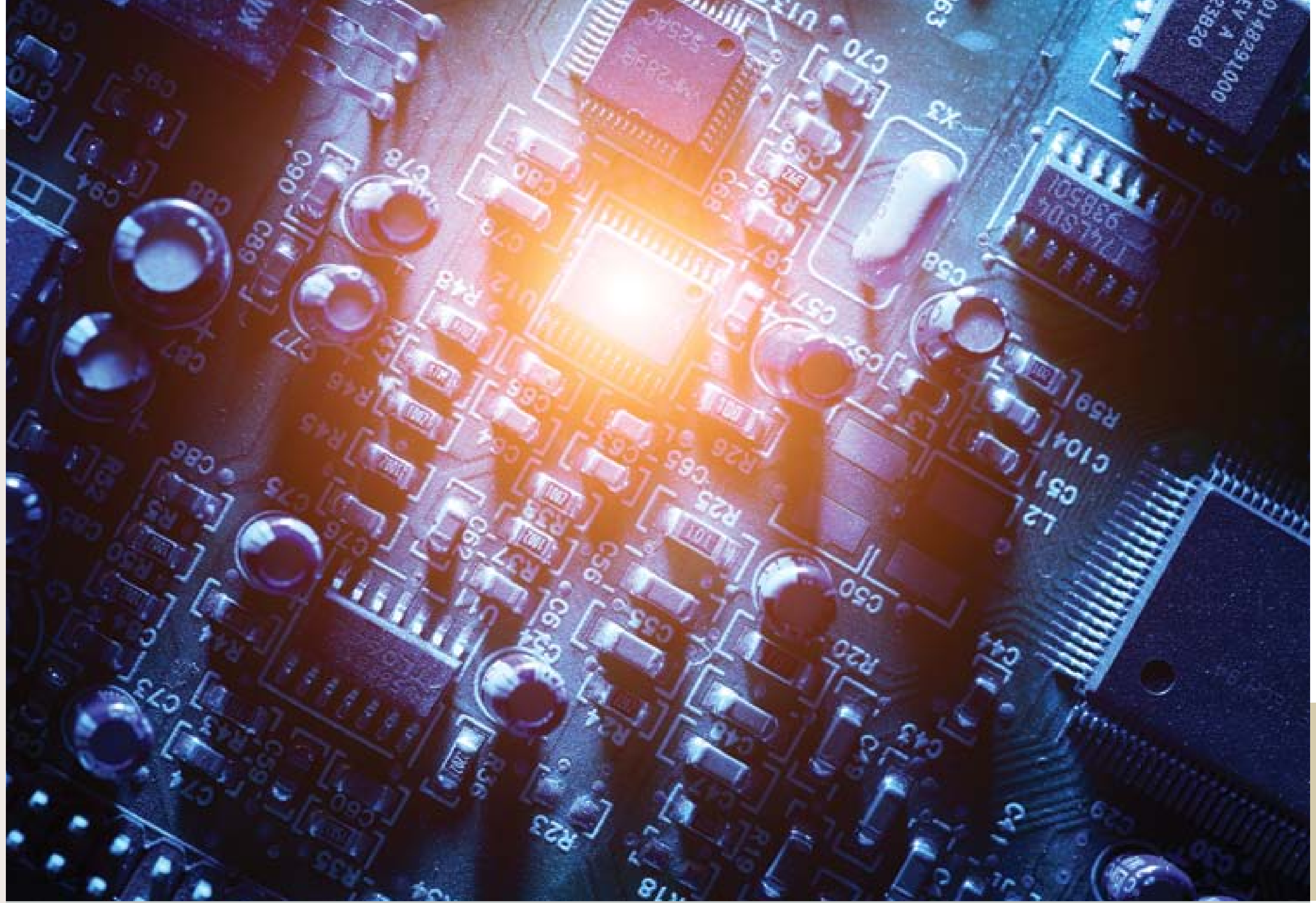
The following studies are planned:

New Vasilikos-Moni overhead power line (Rubus Twin)

Larnaka-Ammochostos Area:

The following studies are planned for the Larnaka-Ammochostos Area:

- New Vasilikos-Kophinou overhead power line (Rubus Twin)



Other studies:

The following studies have also been completed:

- Transmission System Reliability for summer 2013

The following studies are also planned:

- Ten-Year Development Plan 2015-2024
- Continuous Modelling of the Transmission System and Equipment and System Analysis
- Transmission System Reliability for summer 2014
- Connection of pump-storage generators in four different locations

All Transmission System studies are carried out in collaboration with the Transmission System Operator (TSO) which is directly responsible for the operation and development of the Transmission System.

TRANSMISSION NETWORK MAINTENANCE

In the framework of creating a Project Management Environment across the complete range of Network works, all Transmission Network maintenance work was planned, monitored and managed as a single, unified, annual major Network project. It was 85% implemented.

Networks Business Unit

DISTRIBUTION NETWORK

INTRODUCTION

The Distribution Network is the link between EAC's transmission system and its customers.

SPECIFICATIONS, TECHNOLOGY & DEVELOPMENT PROJECTS

Technical Specifications

The Networks Business Unit is responsible for the drawing up of technical specifications for all Distribution Network equipment and materials.

These technical specifications are under constant revision due to changes to international standards, improvements in technology or alterations in the use of materials. There are, in total, 269 approved technical specifications concerning 1 728 materials. In 2013, two new technical specifications were drawn up while eight were revised.

Code of Practice

The correct and uniform application of Distribution Network construction work requires a detailed Code of Construction Practice. During the year under review, an addition was made to the Code concerning overhead power lines so as to include aerial bundled conductors introduced to the network. At the same time, the drawing up of a Code of Practice for the Underground Network has begun and is due to be completed during 2014.

Network Construction Specifications

In order to carry out studies that include distribution networks, Distribution Network Specifications have been drawn up for all types of construction. The Distribution Network Specifications are maintained and reviewed by the Networks Business Unit to ensure the proper use of materials and the correct costing of studies.

Evaluation of Tenders -
Materials Supply and Service Provision Contract Management

The role of the Networks Business Unit in the evaluation of tenders and the subsequent management of contracts for the supply of materials and the provision of services is of crucial importance.

Safety issues and the uninterrupted supply of electricity to customers require the implementation of strict quality criteria in the choice and manufacture of equipment and materials.

In 2013, the Unit's distribution section participated in the evaluation of 47 international tenders and 12 local ones. At the same time it was responsible for the technical management of 87 materials supply and service provision contracts.

Distribution Network Maintenance

In the framework of creating a Project Management Environment across the complete range of Network works, all Distribution Network maintenance work was planned, monitored and managed as a single, unified, annual major Network project. It was 83% implemented.

SMART METERS & SMART GRIDS

In recent years there have been significant developments in power electronics, electronic metering systems and telecommunications systems and these have resulted in the implementation of distributed management, interactive movement of electricity and data as well as smart metering systems which have enabled electricity companies to offer their customers a broader and higher-quality range of services.

Following ratification of EU Directive 2009/72/EK, member states are obliged to install smart meters on 80% of customer premises by 2020, provided that the results of the required cost/benefit study are positive.

EAC took the strategic decision to implement, at the initial stage, an Automatic Meter Management (AMM) system which supports the following functionality:

- Automatic gathering, processing, transmission, management and use of the data gathered by the meters
- Automatic meter management – connection/disconnection
- Interactive communication with meters
- Availability at the right time of targeted information on consumption to all involved parties and their systems, including consumers
- Support of services that can improve energy saving, both regarding consumption by customers and that lost within the system (generation, transmission, distribution)
- Capability for expansion/upgrading so as to support Smart Grid operations

All of the above lead to increased productivity and a drastic reduction in operating costs.

EAC has already appointed the Dutch consultancy firm KEMA to draw up the technical specifications for a tender for the procurement of the above system. The tender was published in July 2012 and the technical evaluation of the bids has been completed. It is due to be awarded during the first quarter of 2014.

Virtual Power Plant

This project aims to take advantage of generators that are privately-owned by consumers which, all together, will comprise a Virtual Power Plant that will be available to the Distribution System Operator to energise when required by the balance of demand and the adequacy of supply. Through the use of state-of-the-art telecommunications and strategic cooperation with various professionals, academic bodies and companies, the Distribution System Operator, upon instructions from the Cyprus Energy Regulatory Authority, is planning to integrate a number of privately-owned generators into the country's energy resources for use when required.

Networks Business Unit

It is expected that the VPP will be used in the following situations:

- In cases of energy emergencies, e.g. following the failure of a generation unit resulting in a sudden reduction of the available load. In such a case, the VPP will be activated at once in order to take up part of the load lost as a result of the fault in question.
- As a static backup to deal with part of the backup requirements during periods of peak demand.

Planning for the project has reached the final stage. EAC has procured and installed the necessary equipment and the Virtual Power Plant has been established. Moreover, the Authority has drawn up agreements with all customers whose generators will be integrated into the VPP.

So far, 64 generators with a total installed capacity of 39,44 MW have been integrated into the VPP. A total of eight generators have not yet been included due to technical problems which are expected to be resolved by the owners in the coming months.

Electric Vehicle Charging Points

This Project involves the purchase and installation of 18 electric vehicle charging points in municipal car parks. It is being carried out in collaboration with the Cyprus Energy Agency and the municipalities that will provide charging areas have been selected jointly.

EAC drew up the necessary specifications in 2012 and published a Call for Tenders in 2013. The tenders were evaluated and awarded. Following the successful examination by an EAC official, approval was given for the equipment to be shipped to Cyprus.

EAC received the chargers at the end of 2013 and is proceeding directly to install them in the selected charging areas.

Introduction of Aerial Bundled Conductors (ABCs) to the Low Voltage Network

The Networks Business Unit proceeded with a pilot scheme to introduce aerial bundled conductors to various sections of the Low Voltage overhead network in all four areas between May and June 2013. While the pilot scheme was being implemented, EAC employees were given both theoretical and practical training on the new materials and working practices and a Code of Practice for the Installation of ABCs was drawn up.

The pilot scheme enabled EAC to evaluate and confirm the significant advantages and benefits of using aerial bundled conductors, which made a highly positive impression on the Authority's personnel, and it was completely successful. As a result, EAC decided to proceed with the use of ABCs on new sections or extensions of the Low Voltage overhead network.

To this end, the Authority published an international Tender for the importation of all the required materials and equipment which are expected to be available around the middle of 2014, at which point work will start on installing them on the low voltage overhead network.

Research Project: LIFE + SmartPV

The Networks Business Unit represents EAC in the "Smart net metering for promotion and cost-efficient grid-integration of PV technology in Cyprus (SmartPV)" project, which is co-funded by the European LIFE+ (LIFE + Environment Policy and Governance) project and concerns the design of an improved energy policy for renewable energy sources (RES) in Cyprus which is based on smart net metering and self-consumption.

A number of important bodies in Cyprus are collaborating on this project, notably the University of Cyprus, the Cyprus Energy Regulatory Authority, the Electricity Authority of Cyprus, the Department of the Environment (Ministry of Agriculture, Natural resources and Environment) and Deloitte. The project is being coordinated by the University of Cyprus.

The aim is to make the most – from a cost-efficiency standpoint – of photovoltaic technology and to give it a greater input to the national power grid. The project is based on improving smart energy management systems with the objective of taking alternative, economical and viable steps during the process of harmonising and reviewing government grants and subsidies. The use of smart metering systems can constitute a good energy policy for the promotion of electricity generated from RES since they allow the calculation and management of the net metered power consumed in buildings separately from the power generated by installed photovoltaic systems.

In this way, a new category of producer-consumer will be created – "prosumers" – who provide power to the grid and, depending on their energy profile, may reduce the total cost of their own power consumption to zero.

Research Project: NER 300

In July 2013, EAC submitted an application, together with a group of partners (National Technical University of Athens, University of Cyprus, Cyprus Energy Agency, TSO) to the European Union for funding of the GREEN + research project. The project aims to develop a micro-network across a large section of the country's mountainous regions as the infrastructure has energy storage systems that will enable uninterrupted RES power integration.

Distribution Network Development Projects

Distribution Network Development Projects are carried out and monitored by the relevant departments in the Area Offices.

The cost of construction work on the expansion and development of the distribution system in 2013 amounted to €34 million, compared to €54 million in 2012.

DISTRIBUTION SYSTEM DEVELOPMENT STUDIES

Distribution Network Development Studies are carried out and monitored by the relevant departments in the Area Offices.

In order to expand and develop the distribution system, 3 504 studies were completed by the Area study sections in 2013 compared to 5 646 in 2012.

Networks Business Unit

Additionally, the following studies were completed and approved by the Distribution Management:

- Five-Year Distribution System Development Plan
- Increasing the Medium Voltage Network from 11kV to 22kV

AREA OFFICES

The Area Offices belong to the Networks Business Unit and their purpose is to provide services related to the EAC's operations. These range from the construction of networks and reparation of faults to the settlement of electricity bills.

The objective of the Area Offices is to offer the best possible customer service with the ultimate aim of providing an uninterrupted, reliable, high-quality supply of electricity.

For better quality customer service, the Area Offices have obtained ISO 9001 Quality Certification and have a commitment to CERA to maintain a Customer Charter with guaranteed services.

EAC's Area Offices are the following:

- Lefkosia-Keryneia-Morfou
- Lemesos
- Larnaka-Ammochostos
- Pafos

The Area Offices are organised by Section:

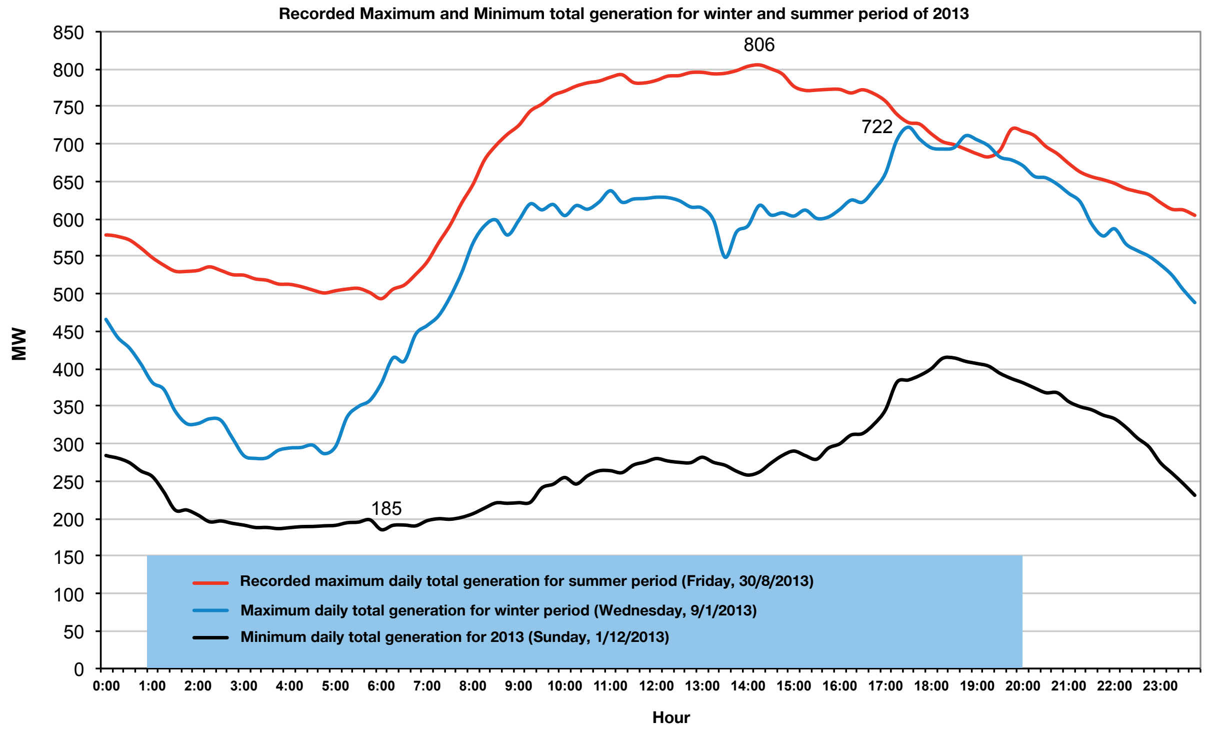
(a) Studies & Planning
(b) Construction and Maintenance
(c) Supplies

Studies & Planning

The Studies & Planning Section comprises the Studies Department, the Planning Department and the Drawing Office. The main work of the Studies Department is the management of customer or producer applications for connections to the EAC network or network relocation, the carrying out of studies for expansion of the Network for the connection of customers and producers and studies for the upgrading/development of the Distribution Network, monitoring of Distribution Network reliability and stating the views of EAC to the responsible authorities and interested parties on the method of supplying power to development projects.

The main work of the Planning Section is to obtain the consent of landowners whose property is affected by Network development, and obtaining Government Approval for Network Development, local contracts for the purchase of materials, services and premises/buildings for the location of Substations.

Figure 5



The main job of the Drawing Office is to maintain the Network Database and to make it available to all Internal and External Customers.

Construction & Maintenance

The Construction & Maintenance Section is divided into six departments:

- Ground Constructions, which deals with the expansion and upgrading of the Underground Distribution Network and the construction of underground supply lines to premises.
- Overhead Line Constructions which deal with the expansion and upgrading of the Overhead Distribution Network, maintenance of the Transmission Network and the construction of overhead supply, installation of meters and the construction of the Street Lighting Network.
- System Operation, which deals with load monitoring, the operation of the Medium Voltage Distribution System (power cuts and handling), load recording at distribution substations, faults detection and complaints handling.
- Transmission/Distribution Substation Maintenance, which deals with the construction/expansion/maintenance of transmission substations and the maintenance of Medium Voltage Network equipment.

Networks Business Unit

- Installation Inspection, which deals with the inspection of customer premises and meter reading.

- Emergency Crews, in charge of emergency Network fault reparation and customer complaints handling on a 24-hour basis.

Supplies

The main activities of the Supplies Department are managing new customers and tariffs, implementing EAC's marketing policy, operating the Customer Contact Centre (CCC) for the provision of information, complaints handling, energy sales contracts, disconnections and reconnections and changes of provider and, overall, customer service regarding electricity sales.

NETWORKS BUSINESS UNIT - DISTRIBUTION SYSTEM OPERATOR

The Networks Business Unit is, according to the recent review of Cypriot legislation, the owner of the Transmission Network and Owner/Operator of the Distribution Network. The particular responsibilities, rights and obligations concerning the Distribution Network Operator (DSO) arising from Cyprus' legislation create special requirements for their improvement, strict and effective implementation for the benefit of consumers and the economy. A particular characteristic of the Unit is that it deals with what is, by its very nature, the monopolistic part of the EAC's work and this creates a need for monitored regulation so that the objectives laid down by the EU and the Republic of Cyprus are achieved.

The Networks Business Unit has long aimed at finding the best technological solutions which can bring about the most reliable supply of electricity at the lowest possible cost. Now, in particular, with the arrival of distribution generation and the development of two-way communication between consumers and network monitoring points through a modern, reliable telecommunications infrastructure, everything is in place for the creation of a smart network with all the benefits that come with it.

The coming smart network is an electricity grid which takes full advantage of today's power generation technology, telecommunications and information systems, distributed sensors and developed automation systems. Thanks to these increased capabilities and the most economical solutions, the smart network can efficiently embody the behaviour and actions of all users that are connected to it – generators, consumers and 'prosumers' – in order to guarantee the most economical, efficient and sustainable energy system with low leakage rates and high standards of quality and safety/security.

In today's environment of new technologies, the more distributed generation is strengthened and demand is managed with the appearance of additional loads such as electric cars and heat pumps, the line separating the various activities (generation, networks, commerce) becomes more blurred. For this reason, roles need to be clearly identified with the main element being their function and role in the electricity market despite their natural role regarding the consumer. In commerce the link between energy sales and load management, distributed generation and making use of all the information from the smart network is creating prospects for new markets and crews with other services that must be exploited for the benefit of customers and the economy.

It is clear that the work of the DSO is the operation, maintenance and development of the Electricity Distribution Network in Cyprus and the provision of transparent, impartial access to consumers and all network users. It aims at securing a reliable power supply to consumers, the quality of the voltage and making constant improvements to the quality of service, as well as the smooth operation of the electricity market as regards the Distribution Network.

On the basis of the provisions of the law presently in force, the work carried out by the DSO concerns:

1. **Satisfying the demands of users:**

- New connections for consumers and producers
- Changes to previous supply (increased voltage to existing connections)
- Network relocation

2. **Network Development:**

- Reinforcing, improving and modernising the network
- Construction of a Distribution Centre and the required interconnection network

3. **Distribution Network Operation and Exploitation:**

- Distribution Network Operation
- Network Inspection and Maintenance
- Faults Repairing
- Network User Assistance
- Provision of ancillary services
- Consumption measurement, through the use of advanced network of smart meters (now under development)
- Support of the TSO in the operation of the system, providing all the necessary information for the operation of the country's interconnected electricity network.

4. **The smooth and efficient operation of the Electricity Market at network level:**

- Management of data on the interconnected Distribution Network with the implementation of a smart network and smart meter architecture for the benefit of all those involved in the electricity market.
- Taking care of distributed generation with systems that provide smart-metering, load demand forecasts, the operation of virtual power plants, etc.
- Customer service via load demand management for the optimum exploitation of the Distribution infrastructure so as to satisfy all consumer demands.
- The provision of ancillary services for the effective operation of all active elements connected to the Distribution Network.

Networks Business Unit

TELECOMMUNICATIONS AND ELECTRONIC SYSTEMS

INTRODUCTION

The Electronic Systems and Telecommunications section deals mainly with the development and support of the EAC's electronic telecommunications systems and with the security systems that protect the Authority's installations.

SDH/PDH Optical Fibre Telecommunications System

EAC's SDH/PDH Optical Fibre Telecommunications System uses digital multiplexers to interconnect transmission Substations, Power Stations and the Authority's Offices with the objective of catering for the requirements of the SCADA/EMS systems, Transmission Line Teleprotection, Telephony, Load Management (Ripple Control), IT and other services.

In 2013 the system's SDH/PDH digital multiplexers were upgraded in four locations.

10Gbps/MPLS – Metro Ethernet Optical Fibre Telecommunications System

The 10Gbps/MPLS Optical Fibre Telecommunications System is a fast, new generation telecommunications network which will respond to EAC's data transfer requirements via an optical fibre network over the coming years.

In 2013 the installation of the new Metro Ethernet equipment was completed in seven areas of EAC's premises and service provision started.

Optical Fibre Network

The Authority has an extensive overhead and underground optical fibre network along the length of the Transmission Network. In 2012 the optical fibre network was extended to connect nine additional transmission Substations and other EAC premises. Additionally, collaboration continued with the Authority's two strategic partners in telecommunications, PrimeTel and Cablenet.

Supervisory Control and Data Acquisition and Energy Management System (SCADA/EMS)

The computerised real-time Supervisory Control and Data Acquisition and Energy Management System (SCADA/EMS) was first implemented in 1997. Via the Energy Control Centre (ECC) and the Area Control Centres, it controls the Generation, Transmission and Primary Distribution Network systems. A Backup Energy Control Centre has also been in operation since 2006.

SCADA/EMS implementation was extended in 2013 to control two additional Transmission Substations while control equipment was upgraded in another eight Substations.

Load Management System (Ripple Control)

This system for controlled load management on customer premises (solar heaters, centralised climate control systems, water pumps, street lighting, etc.) uses the Transmission and Distribution Networks as a telecommunications tool.

EAC is proceeding with the expansion and upgrading of the Ripple Control System, a project that is due to be completed by 2017. In 2013 work began on replacing the present and now obsolete Central Monitoring and Planning Unit and is expected to finish in the middle of 2014.

Machine-to-Machine (M2M) Wireless Communication System

The Authority's M2M Wireless Communication System is used for secure wireless communication via GPRS/3G by the monitoring units of the generators of the Virtual Power Plant, Electric Car Charging Points and remote SCADA/EMS terminals. In 2013, 41 more monitored points were added to the system.

Protective Security

Work continued on the installation of, and technical support for, security systems, access monitoring systems, alarm systems and monitoring with cameras at Transmission/Distribution Substations, Power Stations, Stores, Offices and EAC Customer Service Centres.

Telephone Network and Systems

Technical support continued to be provided for telephone systems, connections of the existing telephone network and systems of the Contact Centre and for the internal networking of the EAC's telephone systems.

Wireless Communication

Phone bases were installed in vehicles and substations. Radiotelephone support and maintenance continued on an islandwide basis to meet the Authority's needs.

Civil Defence & Emergency Planning

Checks and regular testing of telecommunications links continued in accordance with the directives and recommendations of the relevant ministries. Drills were held and all relevant plans were updated.

CIVIL AND BUILDING WORKS SECTION

Introduction

The Civil and Building Works Section is part of the Networks Business Unit and deals with all the EAC's construction and technical projects, including those relating to Generation Development, the Transmission and Distribution Networks, buildings and other EAC infrastructure.

Power Stations

Reconstruction/Restoration of Vasilikos Power Station

In 2013 the Section continued its intensive efforts aimed at the full reconstruction/restoration of Vasilikos Power Station. Immediately after the explosion of 11 July 2011, it was called upon to undertake the task of repairing and renovating all the station's buildings and constructions. The cost of the work carried out until the end of 2013 is approximately €20 million, while some 26 contracts were drawn up for work that is now almost complete. All that remains is the completion of anti-erosion work on the western slopes of the area.

Networks Business Unit

Desalination Plant at Vasilikos

Regarding the Desalination Plant, work restarted in 2012 once the effects of the explosion of 11 July 2011 had been evaluated. Intensive construction work began during the course of the year. External work continued with the goal of being completed within 2014.

LNG Terminal

Cooperation continued with the responsible state services and those studying the development of the LNG Terminal with the aim of speeding up progress on the project.

RES - Photovoltaic Parks

In the context of its strategy for the development of Renewable Energy Sources (RES) in Cyprus, EAC has been studying the construction of a 20MW Photovoltaic Park in the Akrotiri area of Lemesos. The design of projects for the Park is underway.

Furthermore, in 2013 the Section made a significant contribution to the development of a 3MW Photovoltaic Park at Tseri, dealing with the obtaining of permits (environmental study, planning permission, etc.), signing contracts with an independent contractor, checking the study and the construction plans. Construction work is due to start at the end of January 2014.

Transmission/Distribution System Projects

Regarding Transmission System Projects, design work started on the Transmission Substation at Moni with the aim of submitting planning permission at the start of 2014 and continuing studies and plans with a view to publishing a Call for Tenders in 2014. The Civil and Building Works Section is in the process of designing Transmission Line Pylons with the goal of optimising and standardising them so as to publish tenders during 2014. Moreover, planning work on the creation of a Distribution System Monitoring Centre in the grounds of the Head Offices is ongoing.

Under the supervision of the Civil and Building Works Section, construction work was carried out in various areas, such as:

- Transmission Substation maintenance
- Transmission Substation expansion
- Supervision of high voltage overhead power line construction
- Overhead power line maintenance
- Distribution Substation construction
- Distribution Substation maintenance

Area Offices

Construction work on the new Pafos Area Offices was completed, including a public park area. The process is now under way for the final costing of the project.

In Lefkosia, Lemesos and Larnaka new options are being considered for the existing Customer Service Centres with a view to saving resources and improving functionality.

The planning and drawing up of specifications for a tender were completed for the Data and IT Systems Recovery Centre in the new Lemesos Stores with the aim issuing a Call for Tenders in 2014, while planning is under way for a new Data Centre to be located in the Lefkosia Stores.

GIS NETWORK DATA MANAGEMENT SYSTEM (GEODIAS)

GeoDiaS, with the corporate GIS system at its core, constitutes the infrastructure within which the dynamic management of the development, energising and operation of the electricity network and supply to 'prosumers' takes place.

Network updates to the GIS are made through the constant and systematic work of the technical sections across the whole network, thereby securing its dynamism and electrical function. With the operation of GIS systems at the highest rate of efficiency, a large volume of data is entered easily and quickly on a daily basis.

Work is carried out in the framework of the strict operating processes of the GeoDiaS system, including the certification and monitoring of the quality of the Network data updates, and the strict workflow management system.

The updating of the Medium Voltage Network and the Substations on the Distribution system was completed. The task of entering and upgrading Low Voltage Network data for both the overhead and underground Transmission network is ongoing at an intensive rate. Furthermore, the GIS was updated regarding the location (plot) and network connection of approximately 5% of customers, and this task is continuing. Additionally, systematic work is going on to enter data from all the Photovoltaic systems regarding their technical/operational characteristics, their location (plot) and network connection. Through special applications, the GIS also records applications received by the EAC, views expressed to government services and the process for establishing new Distribution Substations.

For the Transmission System, all Transmission Substation premises and monitoring buildings, the route and circuits of the overhead power lines and underground cables, together with their connections, have been registered.

Supply Management

CONSUMERS

At the end of 2013, the total number of consumers in the government-controlled areas of Cyprus stood at 549 448, a net increase of 950 or 0,2%.

Table 1 (page 41) shows the number of consumers by category as well as the percentage increase/decrease over the previous year.

BILLED SALES OF ELECTRICITY

Billed sales of electricity in the government-controlled areas amounted to 3 893 400 GWh, compared to 4 355 600 GWh the previous year, representing a decrease of 10,6%.

Table 2 (page 41) shows the allocation of billed sales of electricity by consumer category, as well as the percentage increase/decrease over the previous year.

Sales for the years 2011, 2012 and 2013 are shown in Fig. 6 (page 43). Sales and revenue for 2013 are shown by consumer category and as a percentage of the EAC's total sales and revenue in Fig. 7 (page 47).

OFF-PEAK SUPPLIES

Off-peak sales (tariff Code 55) totalled 38 129 MWh, representing a reduction of 44 790 MWh or 54,02% compared to 2012. This was due mainly to the financial crisis affecting the country. The average per kWh charge fell from 17,52 cent in 2012 to 16,10 cent in 2013.

Consumers opting for the off-peak tariff totalled 21 214, representing a reduction of 449. Of these, 20 879 (98,4%) were domestic consumers with an average consumption of 1 759 kWh compared to 3 791 kWh in 2012.

TARIFFS

In the framework of the liberalised electricity market in Cyprus, the EAC Tariffs Group and its new external consultants calculated new marginal cost tariffs in 2013.

The entire effort was based on the simplification and reduction of the number of tariffs and the removal of cross-subsidies among the various tariff categories. Following negotiations with the Cyprus Energy Regulatory Authority (CERA), EAC submitted a new tariff study to CERA.

In 2013, CERA imposed a temporary reduction of 5% initially and 8% later on all of the EAC's main tariffs, due to the financial crisis.

Table 1

NUMBER OF CONSUMERS

CONSUMER CATEGORY	AS AT 31.12.2013	AS AT 31.12.2012	CHANGE %
Domestic	428 616	427 184	0,3
Commercial	84 695	85 198	(0,6)
Industrial	10 222	10 805	(5,4)
Agricultural	15 280	14 978	2,0
Street Lighting	10 635	10 333	2,9
TOTAL	**549 448**	**548 498**	**0,2**

Table 2

BILLED SALES OF ELECTRICITY (MWh)

CONSUMER CATEGORY	AS AT 31.12.2013	AS AT 31.12.2012	CHANGE %
Domestic	1 435 231	1 671 095	(14,1)
Commercial	1 655 761	1 836 756	(9,9)
Industrial	581 860	631 829	(7,9)
Agricultural	129 129	128 590	0,4
Street Lighting	87 807	87 330	0,5
TOTAL	**3 889 788**	**4 355 600**	**(10,7)**

Supply Management

In the context of the upgrading of EAC's services and its efforts aimed at energy conservation, we once again sent out an annual statistical report to all our monthly billed customers. This report includes information on monthly consumption and peak demand for their premises, as well as monthly voltage and load indicators, which are directly linked to proper energy use and conservation.

In the framework of the special domestic tariff (code 08) for large and needy families, by the end of December 2013 some 13 928 customers were benefiting from this. The total benefit to customers in 2013 and, consequently, the reduction in revenue to EAC as a result of this special tariff, was €6.440.766 compared to what it would have been if these customers had remained on tariff codes 05, 06 and 07.

The average selling price of electricity per kWh in all categories reduced from 22,188 cent in 2012 to 20,488 cent in 2013 or 7,7,%, as a result of the reduction of oil prices and the temporary reduction that CERA imposed to basic price of EAC tariffs.

LOAD RESEARCH AND CONTROL

In the context of its Load Research, EAC uses a software programme by which meter data and customer load curves are obtained remotely and automatically. This programme enables the direct monitoring of customer loads, the automatic retrieval of data and the timely preparation of Load Research reports.

During 2013, EAC continued to implement this Load Research method for all its corporate customers who are supplied at high and medium voltage and for low-voltage commercial and industrial customers. The data obtained was analysed, processed and subsequently used in the drawing up of new tariff studies.

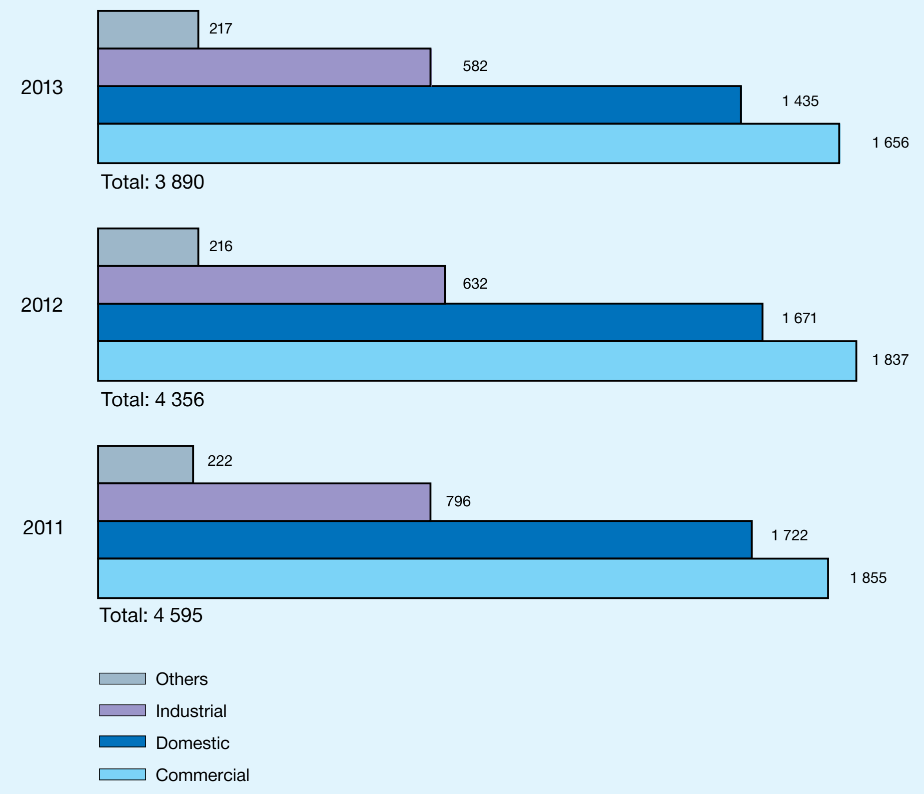
CUSTOMER SERVICE AND BILLING SYSTEM

In order to provide the best possible service and information to the Organisation's customers, in May 2008 EAC adopted a new, modern customer service and billing system, which can respond satisfactorily to the demands of the new competitive environment created by the liberalisation of the electricity market.

Since the implementation of this new system, the standard of EAC customer service and information has improved significantly. Moreover, the system facilitates and speeds up the day-to-day work of EAC's Customer Service departments to a considerable degree.

Figure 6

SALES OF ELECTRICITY
(millions kWh)



The entire system is the main tool and source of information for EAC's Contact Centre.

Since 1 December 2008, EAC has enabled customers to settle their electricity bills at no additional charge by credit card at all EAC Customer Service Offices and via the EAC website (www.eac.com.cy) or the JCC website (www.jccsmart.com). In 2009, customers were also given the opportunity to settle their bills online via the websites of the commercial banks. Additionally, since September 2010 customers have also had the option of receiving their bills by e-mail upon request.

CONTACT CENTRE

EAC's decision to set up a Contact Centre was of strategic importance since the Organisation already finds itself in a competitive environment following the liberalisation of the energy market.

The Contact Centre enables EAC to provide good quality service and information to consumers/customers quickly and efficiently, to promote a progressive and dynamic image and, in general, to respond to the expectations of consumers/customers.

Supply Management

Since 10 December 2013, in the framework of improving its customer service, EAC gave the single islandwide four-digit number 1800 to the following services:

- Faults reporting
- Tree pruning, street lighting and complaints about the network
- Billing issues (outstanding amounts, information and clarifications about bills, payment methods, connection processes, reconnections/disconnections and transfers as well as explanations of domestic tariffs, etc.)
- New applications (information on documents required to accompany an application for electricity supply, and on the current state of an application, etc.)

The numbers 1801 and 1802 which were previously used for the Billing and New Applications services respectively are no longer in use.

Meter Reading Service

In May 2010, the first Contact Centre service, that of Meter Reading, came into operation. This service enables customers whose meters have not been read because, for example, their premises were closed, to call the freephone number 80006000 at any time. On request, customers key in the 10-digit “Premises Number” that appears on the card left by the responsible EAC official. After that they key in the meter reading which, if correct, is automatically accepted. If, for some reason, the customer cannot give the correct reading, the call is redirected to a member of staff at the Contact Centre. In 2013, the Meter Reading Service received approximately 19 000 calls.

Billing Service

The Billing Service enables customers to call the islandwide four-digit number 1800 and be automatically informed of the amount of their bill by keying in their bill number. They may also receive information and clarifications about bills, methods of settlement, connections, reconnections, disconnections, transfers, domestic tariffs, how to become a first-time customer, etc. In 2013, the Billing Service received approximately 208 000 calls.

Faults Reporting and Complaints Service

Since April 2011, the Contact Centre’s Faults Reporting and Complaints Service has replaced and improved the services previously provided by the Islandwide Faults Reporting Centre (IFRC).

The aim of this service is to provide customers with a full, top quality telephone response during major faults causing lengthy power cuts as well as during daily, isolated faults on EAC’s network, on customer premises and to street lighting.

Furthermore, customer complaints are recorded on issues concerning EAC’s network such as tree pruning, street lighting problems, etc.

Customer calls are routed via the islandwide four-digit number 1800 to Customer Service Officers at the Contact Centre where the faults are recorded automatically and subsequently reported to Area technical crews for repairs. In 2013, the Faults Reporting and Complaints Service received approximately 228 000 calls.

To improve the recording of faults and customer complaints, EAC has devised a new software package which is faster, more modern and user-friendly than the previous system. It will be introduced in January 2014.

New Applications Service

In January 2012, the Contact Centre began providing the New Applications Service, initially serving the Ammochostos and Larnaka districts and later Lemesos and Lefkosia. The service will be extended to the Pafos Area in January 2014.

Customers can dial the islandwide four-digit number 1800 to be informed either automatically or by a Contact Centre officer about the documentation required to accompany an application for electricity supply and about what stage their application has reached. In 2013, the service received approximately 16 000 calls.

RENEWABLE ENERGY SOURCES

In accordance with the provisions of European Directive 2009/28/EC (previously 2001/77/EC), issued during Cyprus’s accession process and its compliance with the directives, legislation and regulations of the European Union, the Government proceeded with, among other things, the necessary legislative, regulatory and administrative measures for the promotion of the use of Renewable Energy Sources (RES) and, more generally, of energy conservation with the ultimate goal of increasing the contribution of RES to the country’s energy balance. As the main producer and supplier of electricity in Cyprus, EAC could not but contribute actively to this effort, so as to satisfy the demands of the European Union regarding RES, while acting within the strict Cyprus framework appropriately adapted and amended Laws and Regulations.

EAC enjoys good cooperation with the Institute of Energy of the Ministry of Energy, Commerce, Industry & Tourism, with the Cyprus Energy Regulatory Authority (CERA) and the Transmission System Operator (TSO) regarding joint action on the subject of RES. Interested applicants are given all possible technical assistance and priority in the examination of their applications to install units for generating electricity from RES.

Supply Management

In accordance with existing legislation and the relevant decisions of the Council of Ministers, EAC is obliged to purchase electricity generated by Producers using Renewable Energy Sources which are registered with the Grants/Subsidies scheme of the Ministry of Energy, Commerce, Industry & Tourism and to distribute it on its grid at an avoidance cost price determined by the Cyprus Energy Regulatory Authority (CERA). To this end, an Electricity Purchase Agreement is signed between the Producer using RES and EAC. In addition to the purchase price paid to the Producer by EAC, the Producer receives a subsidy for the generated kilowatt hours of electricity from the Special Fund for Grants/Subsidies, having been approved/registered with the Special Fund for Grants/Subsidies.

By the end of 2013, a total of 1 767 photovoltaic systems had been installed up to 150 kW were produced (compared to 1 039 photovoltaic systems at the end of 2012, i.e. an increase of 70,1%), with a total installed capacity of 31 260 kW (16 364 kW at the end of 2012, i.e. an increase of 91%), and total generation of 44 990 943 kWh (19 826 587 kWh, in 2012, i.e. an increase of 126,9%). It should also be noted that by the end of 2013, some 13 Generation Units using biomass/biogas were in operation with a total installed capacity of 9 714 kW and a total production of 35 830 571 kWh. Furthermore, the five Wind Parks of 146,7 MW operating on the island generated 230 611 330 kWh in 2013.

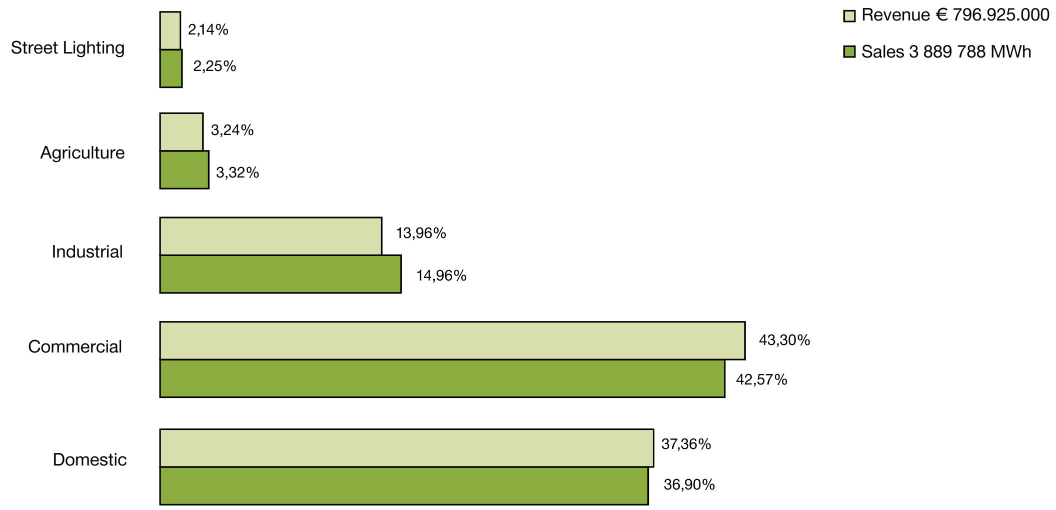
Furthermore, for 2013 CERA announced the start of two Photovoltaic System installation schemes as follows:

1. A net metering system for Photovoltaic Systems installed in residences and buildings that are used as by Local Authorities.

2. Self-production using Photovoltaic Systems in commercial and industrial units.

Figure 7

ELECTRICITY SALES & REVENUE BY CONSUMER CLASS



General Management

PUBLIC RELATIONS

The Public Relations Department is responsible for planning integrated PR campaigns aimed at upgrading EAC's image, consolidating its corporate identity, improving its relations with various sections of the public, involving it in society and ensuring that people are fully aware of the Authority's activities and services and improving EAC's image.

During the course of the year, EAC's Public Relations Department organised numerous visits by various Associations and Organisations as well as press conferences at Vasilikos Power Station on the progress and eventual completion of the work to repair the damage caused to the station by the explosion at Mari and the tragic events of 11 July 2011.

EAC continued to provide advisory services to all its customers on matters of interest to them in 2013. The general terms governing the provision of electricity, EAC's charging policy on electrification, tariffs and general information are topics that are always of interest. As happens every year, during 2013 lectures were given to organised groups and to EAC customer groups on issues concerning energy saving, the safe use of electricity, new tariffs and electromagnetic fields.

In the framework of its Public Relations programme, Electricity Authority of Cyprus keeps its customers and their children (who are tomorrow's customers) informed about issues related to energy saving and the safe use of electricity.

In the course of the year, EAC Public Relations officers visited various primary and nursery schools to talk to the children about electricity, giving them examples couched in simple language of the importance of saving energy and the dangers of the unsafe use of electricity.

In the framework of improving relations among personnel, the Organisation publishes the quarterly magazine EAC News which is now distributed online to EAC personnel and retired members of staff as well as to various other groups and to the media.

The "Light up a Life" event, jointly organised every December by the Cyprus Anti-Cancer Society and the Electricity Authority of Cyprus, has become a firmly established institution, providing financial support and helping the Society to achieve its aims. In December 2013 Christmas events were again held in all the island's towns, during which the EAC/Cyprus Anti-Cancer Society's Christmas tree lights were switched on.

In addition to these events, the firmly-established special day of activities for children was again held at the EAC's Head Office in Lefkosia. All the proceeds from such events, amounting to around €13.000, were donated to the Cyprus Anti-Cancer Society.

Another event that has become an institution is the SavEnergy exhibition, organised jointly with the Employers and Industrialists Federation with the aim of promoting products that contribute to energy conservation as well as to raising public awareness of environmental protection issues.

In the framework of its efforts to contribute to the provision of a rounded education to our young people, the Electricity Authority has always funded sport and in 2013, it continued its sponsorship of the Men's National Basketball Team.

In 2013, EAC also continued its support of the Greek Cypriots enclaved in the Karpas Peninsula, in particular students and pupils, for the tenth successive year. We consider it a duty and a privilege to be able to support the efforts of our heroic enclaved fellow-citizens to remain in the place of their birth in the occupied part of Cyprus. At the beginning of every year, EAC representatives visit the schools in the Karpas Peninsula with gifts and personal cheques for all the pupils and for enclaved students who study in the free areas of the island.

General Management

LEGAL SERVICES DEPARTMENT

The mission of the Legal Services Department is to provide legal advice and support to the Executive and Management as well as to the Area Offices on all issues arising from the Electricity Authority's activities.

In cooperation with the Authority's legal advisers, the Legal Services Department handles all cases against EAC in the relevant courts and legal action by EAC against third parties.

Handling of Legal Cases

In this context, during 2013 the Legal Services Department dealt with the following cases:

- Appeals against EAC by members of staff regarding promotions, appointments, transfers and other demands. There are 96 such cases currently pending before the Supreme Court.
- Third Party Appeals against EAC regarding the installation of EAC network on their immovable property. There are five such cases currently pending before the Supreme Court.
- Third Party Appeals against EAC regarding the expropriation and requisitioning of their immovable property. There are two such cases currently pending before the Supreme Court.
- Third Party Legal action against EAC demanding mandatory orders or special or general damages regarding the placing and/or installation of network equipment (pylons, poles and other low or high voltage lines) on their immovable property. Fifteen cases are currently pending before the District Courts.
- Third Party Legal action by EAC over unpaid final electricity bills. Some 24 cases are currently pending.
- Legal action by EAC against third parties who have caused damage to its property and refuse to pay the amount required to repair it. Five cases regarding damage to EAC property are currently pending.
- Third Party Referrals against EAC regarding compensation that has either already been paid but the landowners have received it with all rights reserved, or not yet been paid for their immovable property which, according to the due process, was expropriated and requisitioned by EAC. Four such referrals are currently pending before the courts.

In addition to the above, there are two pending cases of legal action by the Authority's Pension Fund against Cyprus Popular Bank, Bank of Cyprus, the Republic of Cyprus and the Central Bank of Cyprus in which we are requesting mandatory orders preventing them from taking any action regarding deposits in the Pension Fund.

Expropriations/Leasing/Property Disputes

The Legal Services Department maintains an archive of all EAC's property regarding its Offices, Stores, Power Stations, Transmission and Distribution Substations. The Substations are either purchased by EAC or leased from state services (various Ministries, Department of Forests, Department of Fisheries, Municipalities) or private individuals (usually for a period of 33 years).

When the expropriation of land is deemed necessary for reasons of public interest, the Legal Services Department is responsible for the entire process, from the preparation of a detailed report for approval by EAC's Board of Directors to the publication of the relevant expropriation notices and requisition orders. The Department deals with the process of offering compensation to the affected landowners, handling their objections and paying the agreed compensation. This is done following the issuing of an evaluation report on the immovable property to be expropriated, drawn up by a registered property valuer and once the affected owner has agreed to the amount.

The Legal Services Department obtains evaluation reports from private valuers regarding the amount of compensation payable by EAC to landowners whose property is affected by its network (pylons and high voltage power lines). It draws up contracts with the affected landowners, which are forwarded to the relevant land registry and maintains an archive within EAC to ensure that further compensation is not paid to a third party for the same plot of land, for example to an heir or other purchaser.

In addition to the above, the Legal Services Department carries out monthly monitoring of leasing and/or rental agreements for the Authority's Substations with government services and private individuals.

It is also responsible for the payment of various municipal and community taxes regarding professional licences, community services and refuse collection, while whenever necessary, it files objections on behalf of EAC to the municipalities and relevant district administration.

Insurance Department

In the framework of securing its property and the interests of its Human Resources, the Electricity Authority of Cyprus insures its movable and immovable property and its employees' interests.

To this end, in 2013 tenders were published and awarded for six lapsed insurance policies – Transportation of Goods, Employers' Liability, Third Party Responsibility, Motor Vehicle, the optional Group Personal Accident scheme and the Group Personal Accident scheme.

Additionally, the Insurance Department deals with cases of accidents involving EAC personnel, damage to property belonging to third parties and to the Authority, the insuring of goods imported/exported by the Authority, insurance cover for its vehicles and for employees travelling abroad on EAC business.

The Authority was paid by the insurance companies for the damage sustained by Vasilikos Power Station due to the explosion at the Evangelos Florakis Naval Base on 11 July 2011.

General Management

Legal Support and Advisory Services

In addition to the above, the Legal Services Department provides legal support to all EAC Departments/Services/Area Offices, including those related to the drawing up of contracts and Memoranda of Cooperation with energy companies and/or other companies active in the energy sector, confidentiality agreements for the optimum legal coverage of EAC, and agreements regarding outstanding amounts owed to the Authority.

It provides legal advice, verbal and written, to EAC's Services and Business Units as well as to the Lefkosia-Keryneia-Morfou, Lemesos, Ammochostos-Larnaka and Pafos Area Offices on legal matters pertaining to customer complaints addressed to EAC, to CERA and the Ombudsman, applications for damages, obtaining of consent, customer disconnections, connections and transfers, meter relocations, the provision of customer information and illegal tampering with meters, among other issues.

In addition to the above, the Legal Services Department carries out disciplinary investigations in accordance with EAC's Code of Discipline.

ADMINISTRATION SECTION

The mission of the Administration Section is to provide fast, reliable, professional and efficient administrative assistance to the other Business and Management Units.

In this framework, the Administration Section is responsible for:

Contract Management

- Rental agreements for buildings, parking areas and stores for the needs of the Authority throughout the island.
- Canteen operation contracts.
- Head Office maintenance contracts.

In the course of 2013, 13 such contracts were drawn up or renewed.

Issuing of Announcements/Statements

The issuing of announcements/statements relates to tenders, vacancies, power cuts, etc., in the local press, the Official Gazette of the Republic and the Cyprus Broadcasting Corporation. In 2013, 85 such announcements/statements were issued.

Head Office Building Maintenance

Head Office building maintenance relates to:

- Ensuring that the building is kept clean
- The functioning of the building (electrical/mechanical/repairs/office operation)
- The Building Monitoring System (BMS)
- Photovoltaic system monitoring
- Access cards

In 2013, the Section dealt with 650 employee requests relating to the operation of their offices.

Telephony Service Support

The Section deals with all process concerning the Authority's telephone connections.

Forty five applications were submitted to Cyta concerning the installation of telephone lines, transfers, obtaining GSM cards, etc.

Head Office Archive

The Section is responsible for digitising and archiving all incoming and outgoing correspondence.

Customs clearance issues were dealt with and the Section also carried out the daily distribution and sending of correspondence to all EAC Units/Management sections, Area Offices and Power Stations.

Purchase and Supply of Stationery and General Supplies

The Section supplies all EAC Units/Management sections, Area Offices and Power Stations with the necessary stationery and general supplies.

Human Resources Management

The Authority's staff

The number of employees in past and their distribution by category is shown in the table below:

	2013	2012
Professional	250	261
Clerical	360	377
Technical	1 559	1 632
Other	50	49
TOTAL	**2 219**	**2 319**

«Other» employee refers to 49 employees which their conditions of employment are regulated by a certain Collective Agreement and one employee with a Contract of indefinite duration.

The Authority's pensioners

The total number of pensioners at the end of the year who received pension was 1 215 (including 9 missing persons since the Turkish invasion of 1974) compared to 1 142 at the end of the previous year. In addition 292 pensions were paid to widows and orphans of deceased pensioners/employees compared to 275 at the end of the previous year.

Manpower indicators and Productivity

Variations in productivity are shown in Figure 8 (page 56) which indicates the relationship between the Authority's manpower, the total units billed and the number of consumers during the ten year period 2004-2013.

Absenteeism due to sickness and/or industrial accidents was 2,6% or 9,3 days per EAC employee compared to 2,8% or 10 days per employee at the end of the previous year, while comparing the 2012 and 2013 sick leave totals, that is 23 631 and 21 282 days respectively, there is a 10% (2 349) reduction. Figures show that the set goal for a 10% reduction on sick leave by the year 2012 has already been reached and this is attributed to the introduction of a new system for managing sick leave.

INDUSTRIAL RELATIONS

The role of the Human Resources Management was important and crucial throughout the year attempting to streamline the EAC's Organisational Structure and reducing operating costs.

Specifically, after an agreement with the trade union side and approval of the Authority's Board, applied from 30th December 2013, the new EAC organisational structure consists of:

- The General Manager
- Three Business Units (Generation, Supply and Networks)
- A Corporate Unit (Finance)
- Five independent Managements (General Management Office, Human Resources, Information Technology, Internal Audit and Strategic Planning) who are administratively accountable directly to the General Manager.

The Common Services Business Unit and the Corporate Development Business Unit do not exist in the new organisational structure and their responsibilities are transferred to other Units/Managements.

With the implementation of the new organisational structure, EAC's activities are separated. The Competitive activity will be done by the Generation Business Unit, the Monopolistic activity shall be operated by the Networks Business Unit and the third activity will be done by the Corporate Unit (Finance) and other support Managements.

In the new structure, the Executive Managers are reduced by three, the Managers as well are reduced by three and the Deputy Managers are reduced by 43, so in total the managerial positions are reduced by 49.

Note that in all the permanent posts of the EAC budget there is a reduction of 321 posts and that is a decrease of 13,5%

Furthermore, the above mentioned signed agreement aiming to streamline the Authority's organisational structure, includes the basic principles of interchangeability.

Regarding the reduction of EAC's operational costs through the rationalisation of allowances, it is noted that after a persistent and exhaustive dialogue within the framework of an Ad-Hoc Committee composed of the Vice President of the Authority, the Human Resources Manager and the Trade Union side, an agreement that came into effect from on October 1st, 2013 provides for the following:

Human Resources Management

- Reduction by 25% on the basic part of the pay amount in six allowances
- Suspension of three allowances
- Abolition of fifteen allowances
- Limitation of beneficiaries in two allowances (Travelling and Driving by 98%)

Note that the 25% reduction in the basic part of the pay amount of allowances is above the 15% reduction included in the regular budget of the year 2013.

It is worth noting that the Human Resources Management pointed out to the Authority the need to develop a newly designed targeted voluntary retirement scheme using actuarial services and got the approval for its preparation.

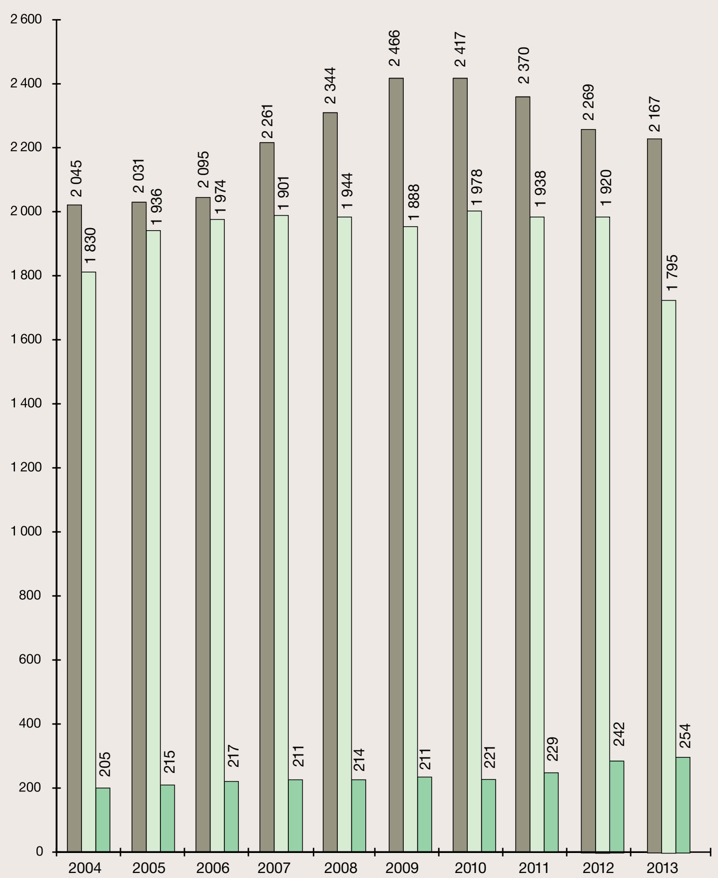


Figure 8

MANPOWER INDICATORS

- EMPLOYEES IN SERVICE
- SALES (thousand kWh) PER EMPLOYEE
- CONSUMERS PER EMPLOYEE

It is also worth mentioning that following written information about the reduction of operating costs and the improvement of EAC's operation, the Minister of Energy, Commerce, Industry and Tourism, commended EAC for the initiative and congratulated the Unions for their support in this effort.

In other contacts between the Human Resources Management and the Unions, the Personnel Relations Committees examined issues related to the deactivation of the Moni Power Station shift personnel issues, implementation of legislation to freeze increments and recruitment ban etc.

Finally, the Human Resources Management, was invited along with one of the staff Unions before the Labour Relations Department of the Ministry of Labour and Social Security and in the presence of a Mediator for consideration and settlement of labor disputes.

HUMAN RECOURSES DEVELOPMENT

Education and Training

During 2013, 1 451 members of the staff attended 115 in-house courses and seminars, organised by the Authority's Training School, which covered a wide range of topics. We had 137 more participations from employees in various open educational programmes and training courses, organised by local educational institutions and organisations, whilst 10 members of the professional staff attended training courses or participated in conferences and seminars abroad. In total 1 598 employees attended training courses at an overall cost €13,19 per employee. The in-house training courses were subsidised by the HRDA with the amount of €30.710.

Promotions

In 2013, before the introduction of law 21 (I)/2013 which provides for a ban on filling vacant posts in the public and broader public sector and Organisations governed by public law, the service has concluded the promotion procedure for 13 vacant posts and offered promotion to an equal number of employees.

Recruitment/Retirements/Termination of Employment

In compliance with the certain instructions by the Ministry of Economic Affairs, EAC did not recruit any new employees. It should be noted that during the year three employees retired, 65 employees took advantage of the early retirement scheme, 22 employees chose early retirement, four employees terminated their services, six employees retired for health reasons and one employee deceased.

SAFETY, HEALTH AND WELFARE

Medical Care

During the year EAC contributed €6.565.727,95 (€7.533.663,18 in 2012) to EAC Employees Medical Fund, as well as €51.260,00 to the Special Medical Fund set up to cover expenses incurred in the treatment of serious cases, in Cyprus and abroad. The beneficiaries of the Fund, as at 31 December 2013 were 9 121 (2 179 employee-members, 1 209 pensioners and 5 733 dependants).

Human Resources Management

Benevolent Funds

EAC's Employees Benevolent Funds continued to function satisfactorily during the year. The financial relief offered to needy members, pensioners or members of their families, exceeded €300.000. This sum includes the monthly financial assistance offered by EAC to ex-employees who retired prior to 1978 with Provident Fund benefits, as well as to their widows. It also includes the financial assistance to other ex-employees due to the recognition of their previous service with the ex-private Electric Companies after their being undertaken by EAC. The members of the Funds, as at 31 December 2013 were 2 088.

Welfare Funds

EAC Employees' Welfare Funds continued to function satisfactorily during the year offering several facilities to the members and their families.

Long Service Certificates and Awards

The following Awards were presented:

- EAC's Long Service Certificates were awarded to 95 employees, who retired during 2013 and had completed more than 20 years of service.

- EAC's silver metals were awarded to 23 employees who had completed 30 years of service.

OCCUPATIONAL HEALTH AND SAFETY

- **Health and Safety Management**

The Electricity Authority of Cyprus, pledge to achieve high levels of safety standards, continuous improvement of Health and Safety performance indicators and compliance to applicable legislative provisions, for the prevention of incidents which might result in its personnel or the general public. Towards this, EAC has developed and implements an effective and appropriate Health & Safety Management System (HSMS), which is uploaded on EAC's portal server, aiming to become a useful tool in the workplace. An introduction course on the implementation of the "Health and Safety management system", which aims at the continuous development and improvement on occupational health and safety matters within the Organisation, has been organised by the Safety Officers in collaboration with the District and Power Stations Management.

Furthermore, a Health and Safety booklet was prepared and printed out, in a simple comprehensible language. The booklet contains information and directives on health and safety matters of the work and activities of the Electricity Authority of Cyprus which all members of the staff should be aware of.

- **Health and Safety in the working environment**

The election of new members for the Safety Committees in accordance to the Cyprus Legislation was completed in May 2013.

The Safety Committees held regular meetings during the year, adhering to legislation requirements and gave their professional views to the Management for dealing and solving various problems concerning health and safety issues.

In order to ensure compliance with health and safety legislation and good practice we use the Safety Management System (HSMS) to perform internal auditing to identify and remedy any shortfalls in health and safety performance. The Safety Officers of the Organisation in addition to the general tasks they perform in their workplace, investigated working accidents, dangerous occurrences and hazardous malfunctions, monitored the implementation of the Safety Management System (HSMS), studied Health and Safety plans submitted by the contractors and made recommendations for their completeness and functionality as far as the legislation requirements are concerned, as well as they performed on site safety audits, which covered all the works carried out by the Electricity Authority and gave consultation on health and safety matters to the personnel. Furthermore, audits were also carried out on sub-contracted projects to ensure, that they comply with the health and safety issues and legislations.

- **Education/Training**

The technical personnel who use mobile man lift equipments have been trained and certified according to the Cyprus Legislation. Furthermore, a complete refreshing training on working with safety at height was delivered successfully to the technical staff, who work in the overhead construction of EAC District Area. An additional training for safe working on roofs was organised for the staff, who work on the installation of solar systems.

Further training and seminars on Health and Safety matters have been organized during the year by the Safety Officers according to the needs of the Organisation. Furthermore, during the Safety Week, fire drills have been organised in all District Areas and Power Stations.

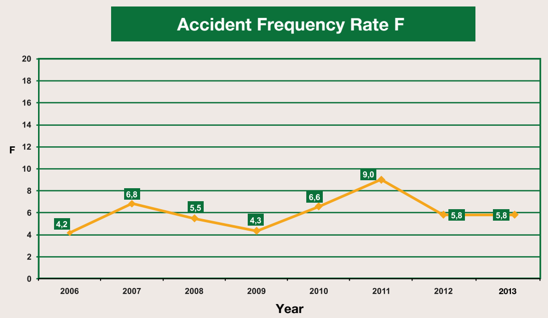
- **Accidents**

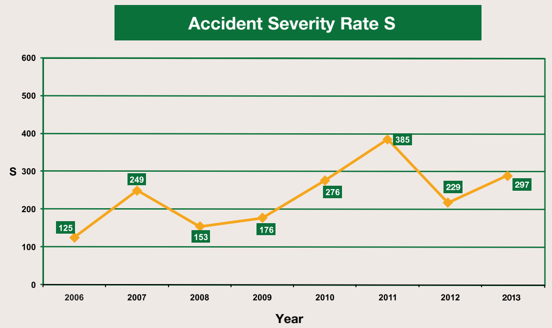
There were 27 reported occupational accidents in 2013, in which 30 persons have been injured. Five of these accidents were road accident. All the accidents have been investigated and evaluated by the Safety Officers and appropriate measures have been taken.

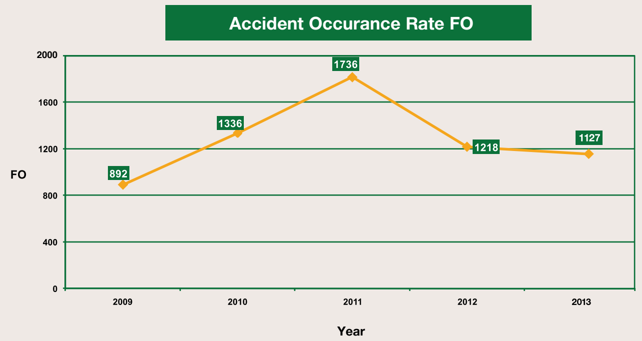
The graphs below show the variation of the three indexes, Frequency Index (F), Severity Index (S) and Frequency of Occurrence (FO) for the period 2006 to 2013. The Frequency Index shows the number of accidents in relation to the total worked hours in the Organisation, the Severity Index shows the days lost in relation to the worked hours in the Organisation and the Occurrence Index shows the number of accidents in relation to the number of employees.

Human Resources Management

The Frequency Index (F) for EAC in relation to the previous year has remained unchanged, the Severity Index (S) has been increased from 229 to 297 and the Occurrence Index has been decreased from 1 218 to 1 127.







- **Safety Week and Fire drill exercises**

EAC's Safety Week was once more organised with success in the beginning of February 2013. During the Safety Week various events took place, including lectures on occupational heatlh and safety matters, fire drills and evacuation exercises in co-operation with the Fire Department. These activities gave the opportunity to staff to get engaged with the matters of occupational health and safety matters.

- **Safety Awards**

The safety award in memory of Archbishop Makarios III for the year of 2013 was given to Lemesos Area Office. The safety award in memory of Georgios Kontopoulos was given to the Dhekelia Power Station.

Information Technology Management

The mission of the Information Technology (IT) Management is to select, provide and support IT systems, to ensure that Information Technology is used as a strategic tool to achieve the EAC's business aims in a reliable, fast and efficient manner, and to cultivate in the Authority's personnel a modern mentality that is fully in tune with IT.

In this framework, the IT Department deals with:

- The provision of information services.
- IT services for internal customers.
- The development, implementation and maintenance of IT software and systems.
- Technical infrastructure services.
- Security services and Administration.

During the period January-December 2013:

- A functionality for the calculation of pensions and lump sums (up to 31/12/2013) within the SAP R/3 Payroll and Pensions System, based on changes on legal obligations for the pension benefits, was successfully completed and put into operation.

- The Analysis and Design of the Software Application for the real-time management of Overtime were successfully carried out.

- The Analysis and Design of a new Software Application for the Customers Call Centre for registering/reporting Faults and Complains were successfully carried out.

- SAP R/3 was successfully customized to accommodate the direct payment of Vendors through Banks.

- SAP R/3 and Customer Care & Billing systems were successfully customized to cater for the management of Applications and Accounts of the Photovoltaics Net Metering Plan.

- The functionality within SAP R/3 for the financial management of "Virtual Power Stations" (private generators on call to supply EAC grid in case of emergency) was completed and implemented, successfully.

- The functionality for the monitoring of Tenders in the Purchasing Department was completed and implemented, successfully.

- Two large companies and four big Municipalities were incorporated in the plan for the Automatic Payment of Electricity Bills (a total of nine Municipalities were incorporated).

- The Tender for the renting of services by the Telematics and Navigation System for the EAC's Vehicle's Fleet was awarded and its implementation began.

- The Tender for the purchase and implementation of a Queuing System in the Authority's Area Offices and Customer Service Centres was awarded and its implementation was successfully carried out in the Lefkosia-Keryneia-Morfou and Pafos Area Offices.

- Specifications were prepared and a Request of Tender was launched for the upgrading of the Customers Care and Billing System to its updated version.

- The Tender for the supply of new Information Technology Infrastructure through leasehold (B.O.T.) was awarded.

- The newest version (12c) of Oracle Enterprise Manager Software for the management of all EAC's Oracle Data Bases was successfully, installed.

- The call numbers for the services (Faults Report & Complaints and New Load Applications) for the Customers Call Centre were successfully replaced by the number 1800.

- The upgrading of Microsoft Lync from version 2010 to version 2013 was carried out successfully.

- The Time Link Management System was successfully transferred to VMWare.

- The infrastructure for the saveguard and archiving for a big number of files of the GIS software was successfully completed.

- The review of the Directive for "Authorizations for Accessing the IT on-line Systems" was completed and implemented.

- The review of the Directive for the "Remote Access of EAC's Internal Computer Network" was successfully completed and implemented.

- A number of presentations/trainings in all EAC's Areas and Power Stations concerning "Users manipulation through Social Engineering" and "Dangers in the Use of Social Media" were successfully carried out.

Strategic Planning Management

STRATEGIC DEVELOPMENT

EAC Corporate Strategy

With the aim of ensuring the Organisation's efficient operation in an environment where the changes are continuous due to the Economic Crisis and the imposition of the Memorandum in the Democracy of Cyprus, due to the liberalisation of the Energy Market and taking into consideration the forthcoming competition, the Electricity Authority of Cyprus is using a systematic process for Strategy development, Policy formulation and Annual Business Planning, via the Balanced Scorecard method.

The process focuses on the alignment of efforts and the optimum use of resources by all the Organisation's Units and Managements, for the achievement of EAC's Strategic Aims and the realisation of its Vision. All of the above will have an important contribution towards the Business Improvement and the sustainability of the Organisation.

The revision of the Corporate Business Strategy of EAC, for the three-years-period of 2014-2016 has started and it will be solely based on the sustainability of the Organisation and on the following domains:

- Electricity domain (Production, Transmission, Distribution and Supply)
- Other business activities - Liquified Natural Gas, Renewable Energy Sources, Desalination, Telecommunications
- Improvement of the Organisation's Procedures

Business Continuity Management System

The ability of the Organisation to recover its critical Processes and Business Operations from a disaster through a Business Continuity Plan became an extremely important matter for EAC, especially after the severe damages of the Vasilikos Power Station Infrastructure, on 11 of July 2011.

Due to the above, EAC decided to study the design and the implementation of a Business Continuity Management System in the Organisation. As a first action, a pilot implementation of Enterprise Risk Management is being carried out in cooperation with the Internal Audit.

Renewable Energy Sources (RES)

Part of EAC's Strategy is the generation of electricity from Renewable Energy Sources (RES). The Department of Strategic Development is participating in the development of various proposals and/or projects as follows:

- After the completion of the process to prequalify potential strategic partners for participation in a joint venture company with EAC, for the development of large photovoltaic plants in Cyprus, two companies have been chosen and signed an Agreement with EAC.

- EAC succeeded in the Government's Tendering (Auctioning) Procedure for the development of photovoltaic systems in Cyprus, with EAC's proposal for the construction of a 3MW Photovoltaic Park in the area of the Substation in Tseri. EAC also signed an Agreement with a company for the construction of the above mentioned Photovoltaic Park.

RESEARCH AND DEVELOPMENT UNIT

During 2013, EAC has continued its active participation in three research projects, MACCSol, STEP-EW and LIFE+ SmartPV. MACCSol is funded by the Seventh Framework Program, while STEP-EW is funded by the Cross-border Cooperation Program Greece-Cyprus 2007-2013 and LIFE+ SmartPV is funded by the LIFE+ Environment Policy and Governance.

Brief description of the above three research projects is given below:

- MACCSol Research Project: "The development and verification of a novel modular air cooled condenser for enhanced concentrated solar power generation". The aim of this project is to develop an efficiently competitive air cooled condenser technology compared to water cooled condenser technologies used in concentrated solar thermal power technologies in areas with low water quantities. Within the scope of MACCSol is the development of mathematical models for techno-economic analysis of the financial viability of the developed technology. This emerged technology has been put under the research priorities of the European Union since it is expected by the 2020, that 10 units of solar thermal systems will be installed for commercial use in the countries of the South Europe and North Africa.

- STEP-EW Research Project: "Solar thermal production of electricity and water". The aim of this project is the technical confirmation of the innovative idea of cogeneration of desalinated water and electricity in a small scale and in real conditions. At the same time, the best way to integrate this technology into Cyprus and Greece will be investigated.

- LIFE+ SmartPV Research Project: "Smart net metering for promotion and cost-efficient grid-integration of PV technology in Cyprus". The main objective of this project is the investigation of smart net metering schemes in Cyprus and their optimization as a means of replacing costly government RES subsidies. The project will aim to highlight and understand the impact of smart net metering implementation on the cost and benefit implications for network owners and operators in Cyprus.

The Research and Development unit of EAC has co-organised the International Conference "4th International Conference on Renewable Energy Sources & Energy Efficiency", in Lefkosia between 06 and 07 June of 2013, the Workshop "Workshop on the Solar Thermal Technology for Electricity and Desalinated Water Production: The STEP-EW project", in Lefkosia on 07 June of 2013 and the International Conference "2nd Conference on Power Options for the Eastern Mediterranean Region", in Lefkosia between 07 and 08 October of 2013, in order to disseminate the results of research and development activities and which included the international conference of the STEP-EW research project.

Finally, the Research and Development unit of EAC carried out a study regarding the integration of a pilot cogeneration of electricity and desalinated water unit in the power generation system of Cyprus. In addition, the Research and Development unit of EAC participated in the Working Group for the acquisition of the Aeolian Dynamics Ltd company and for the construction of a wind park, as well as in the Working Group for the preparation of EAC proposal for the NER300 Second Call of Proposals. Moreover, the unit has produced a number of papers published in referred international journals and has presented the research and development activities of EAC in a number of international conferences and workshops.

Strategic Planning Management

QUALITY ASSURANCE

The Electricity Authority of Cyprus, as the Organisation responsible for the generation, transmission, distribution and supply of electricity in Cyprus, understands that it has obligations and responsibilities towards the Cypriot consumer. For this purpose and with the aim of continuously improving the quality of services it provides, while at the same time minimizing the unwanted effects of its activities on the environment, EAC is implementing Quality and Environmental management systems, certified to ISO9001:2008 and ISO14001:2004 standards respectively.

Key objectives are: minimizing operational cost, increasing productivity, improving Quality and minimizing EAC's carbon footprint, while at the same time fully aware of EAC's responsibility towards sustainable development.

During 2013, in the context of continuous improvement, the following actions were carried out:

Integrated Management System

In November, an audit of the Integrated Management system of EAC was carried out by the Cyprus Certification Company (CCC). As a result, it was confirmed that EAC's management system satisfies fully both the ISO 9000:2008 and the ISO 14001:2004 standards. A number of non conformances were raised and a relevant plan of action was devised in order to deal with all these non conformances.

Cyprus Energy Regulator Authority (CERA) Performance Indicators

The results of the system measuring all performance indicators related to «Κ.Δ.Π» 571/2005 (legislation regarding Custom Service) are calculated and sent on an annual basis both to CERA and to EAC's top management. These results show that EAC is sensitive and cares about its customer's needs.

SAP Performance indicators system

A new system for measuring process performance indicators via SAP system has been implemented. The new system allows for the process flowcharts to be documented, so as to aid the understanding of how the processes work and what actions need to be taken for every process. In addition, the new system makes performance indicator comparisons between Areas more accurate and reliable as it ensures that the indicators range (start-finish) is the same for all Areas.

Updating of records in Intranet Portal

As part of EAC's continuous improvement system, the systematic updating of records and documents of the Management system is continuing in the Intranet portal, after all the necessary approvals by the Key process owners are completed.

Target setting

The procedure for target setting for EAC's key performance indicators has been completed and the targets for all indicators have been approved by the General Manager and the Executive Managers. All Key Process owners are in the process of finalizing their key own process indicators, which are necessary to achieve the Corporate key process indicators and targets.

All work has been done in line with EAC's medium term strategic objectives. In this way, all indicators for all EAC processes and procedures will be aligned aiming towards achieving the targets set by the top management for the following year. In total 32 indicators have been selected and these indicators now form the General Manager's scorecard. These indicators are divided into five dimensions: Customer, Financial, Processes, Learning and Environment.

Implementation of a workflow based electronic system for managing audit non-conformances, employee suggestions and planning of internal audits

The project for setting up a fully workflow-based electronic system, operating in the Portal environment is continuing. Through this system, management of all employee suggestions and innovative ideas and also internal audits and non-conformances will be done substantially faster and more efficiently than before, reducing the overall cost associated with the management of these systems. The system is expected to commence during the first half of 2014.

Management Reviews

Three Management reviews have been completed and presented to the Management Council. These reviews include all business results for 2013, as regards the Integrated Management system of EAC.

Corporate Social Responsibility (CSR)

EAC has decided to implement a CSR system to cover all operations in the Areas Offices, Head Office and Power Stations. As a result, the project teams were identified and a relevant plan of action was devised and approved by the General Manager. The project is expected to be completed in June 2014.

Corporate Finance Unit

FINANCIAL STATEMENTS

The financial statements of EAC for the year 2013 together with the supporting statements are set out in pages 82 to 129. The principal financial statistics for the ten-year period 2004-2013 are summarized on page 72.

Table 3

Consolidated income statement for the year ended 31 December 2013 and changes from previous year

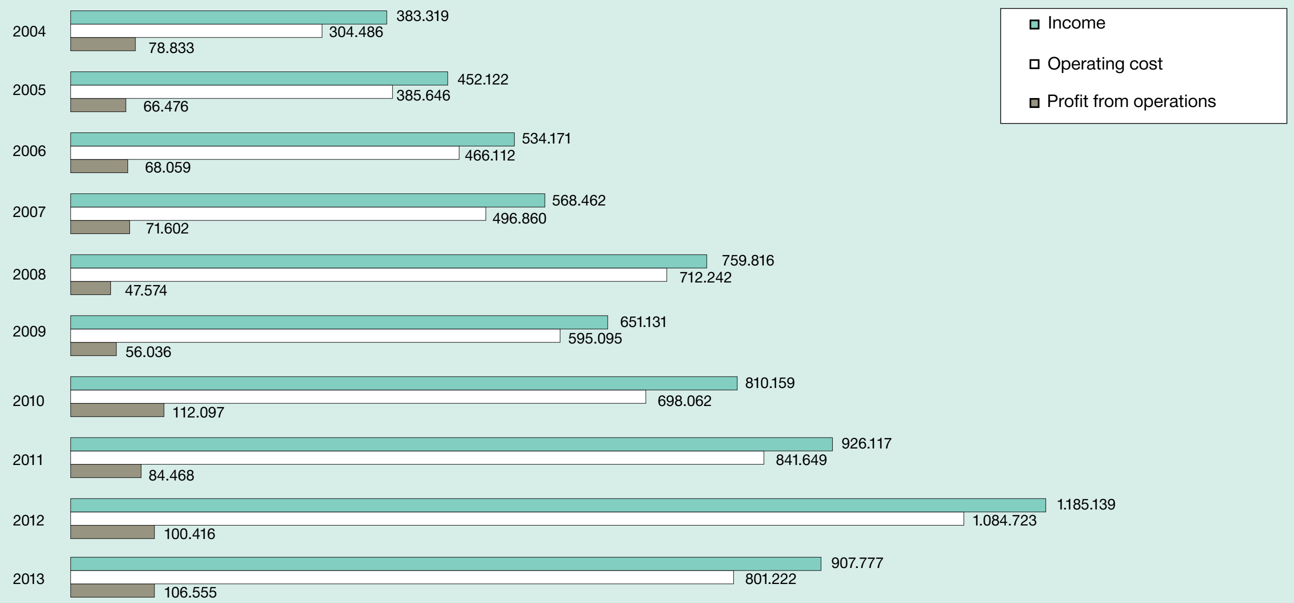
	€000	
	2013	**Increase (Decrease)**
INCOME		
Sales of electricity	796.930	(169.622)
Temporary Surcharge	8.047	(53.633)
Temporary Generators Cost Recovered by the Republic of Cyprus	-	(31.702)
Compensation from Insurance	61.790	(27.511)
Consumers' capital contributions	20.698	725
Other operating income	18.298	4.169
Finance income	2.014	212
	907.777	**(277.362)**
Other losses net	(3.324)	(3.248)
OPERATING COSTS	(797.898)	286.749
Operating profit	106.555	6.139
Finance costs	(12.594)	1.366
Profit before tax	93.961	7.505
Tax	(20.970)	(12.035)
Net profit for the year	72.991	(4.530)
Units sold (million kWh)	3.889,8	4.355,6

FINANCIAL RESULTS

The financial results for the year and the changes from the previous year are shown in Table 3 above. The income from sales of electricity for the year, totalled to €796.930.000 showing a decrease of €169.622.000 or 17,5%.

Figure 9

Income, operating costs & profit from operations (Euro Thousand)



The total operating costs were €797.898.000 showing a decrease of €286.749.000 or 26,4%. After accounting for finance costs amounting to €12.594.000 there was a profit before tax of €93.961.000 compared to a profit of €86.456.000 in the previous year. After the deduction of tax amounting to €20.970.000, the net profit was €72.991.000 (2012:€77.521.000).

ANALYSIS OF OPERATING COSTS

Table 4 (page 70) gives an analysis of the operating costs according to each category. The principal factors underlying the changes are reviewed below.

The average cost of fuel oil used by EAC's power stations decreased by 5,6% to €548,54 per metric tonne. The consumption decreased by 20,2% to 885,1 thousand metric tonnes. As a result of the above the fuel oil bill decreased by €159.557.000 to €485.492.000.

The purchase of electricity from third parties €40.257.000 decreased by 4,3% due to the decrease in purchase from third parties by €4.707.000 and increase in purchase from renewable sources by €2.880.000.

Repair costs amounting to €43.867.000 represent the expenditure to repair the damages at Vasilikos power station caused by the explosion at Mari.

The total salaries, related costs and deficiency contribution to pension schemes amounted to €101.146.000 out of which €13.746.000 was capitalised in fixed assets and work in progress and €11.520.000 is included in repair costs of Vasilikos Power Station. The amounts capitalised relate to expenditure for development projects executed by the Authority's employees during the year. An amount of €75.880.000 or 75,0% was charged to the income statement. The decrease of €14.747.000 or 12,7% to the total salaries and related costs charge is due mainly to the suspension of salary increases and price indices, the zero payment of deficiency contribution to pension schemes and to the non recruiting of new employees.

Materials services and other expenditure were €57.997.000 (increase of €5.448.000 or 10,4%).

The depreciation charge was €94.405.000 (increase of €4.594.000 or 5,1%).

Corporate Finance Unit

Table 4

Analysis of Operating costs

	2013		Increase (Decrease) over 2012	
	€000	%	€000	%
Fuel oil	485.492	60,9	(159.557)	(24,7)
Purchase of electricity from third parties	40.257	5,0	(1.827)	(4,3)
Temporary Generators Cost	-	-	(35.302)	(100,0)
Provision for the non recoverability of Temporary generators cost	-	-	(24.465)	(100,0)
Repair costs of Vasilikos power station	43.867	5,5	(60.641)	(58,0)
Salaries and related costs	75.880	9,5	(14.999)	(16,5)
Materials, services and other expenditure	57.997	7,3	5.448	10,4
Depreciation	94.405	11,8	4.594	5,1
TOTAL	**797.898**	**100,0**	**(286.749)**	**(26,4)**

CAPITAL REQUIREMENTS AND SOURCES OF FINANCE

Capital expenditure during the year amounted to €56.795.000 compared with €99.863.000 in 2012 (decrease of €43.068.000).

The amount paid for taxation during the year 2013 amounted to €16.832.000 (2012:€6.607.000).

Loan and bank overdraft repayments amounted to €236.750.000 (2012: €66.126.000).

Out of the total financing requirements of €310.377.000 internal sources and consumers contributions provided €130.377.000 and the balance of €180.000.000 was covered by new loans. Table 5 below shows the financing requirements during the year and the sources of finance.

Table 5

Financing Requirements and Sources of Finance

	2013		2012	
	€000	%	€000	%
FINANCING REQUIREMENTS				
Tax	16.832	5,4	6.607	3,8
Capital expenditure	56.795	18,3	99.863	57,9
Bank overdraft / loan repayments	236.750	76,3	66.126	38,3
	310.377	**100,0**	**172.596**	**100,0**
SOURCES OF FINANCE				
Profit before tax	93.961	30,3	86.456	50,1
Depreciation less consumers' contributions	73.707	23,7	69.838	40,5
Proceeds from disposal of fixed assets	1.985	0,6	100	0,1
Unrealised foreign exchange (profit)/ loss	(116)	(0,1)	(192)	(0,1)
Consumers' contributions	16.978	5,5	26.434	15,3
Working Capital changes	(56.138)	(18,0)	(85.040)	(49,3)
	130.377	42,0	97.596	56,6
Bank overdrafts/ Loans	180.000	58,0	75.000	43,4
	310.377	**100,0**	**172.596**	**100,0**

FINANCIAL POSITION AT END OF YEAR

The historical cost of the assets employed at 31 December 2013 was €2.961.183.000 and total provision for depreciation was €1.063.154.000. As a result the written down value of the assets employed was 64,1% of the original cost. The total net assets at 31 December 2013 were €2.164.046.000. Finance derived from loans (€564.002.000 or 26,1 %) other long term liabilities (€494.999.000 or 22,9 %) and the balance (€1.105.045.000 or 51,0%) from own sources.

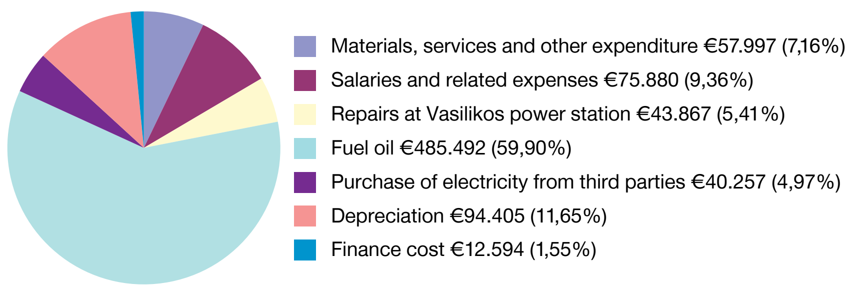
O. THEODOULOU
CHAIRMAN

S. STYLIANOU
GENERAL MANAGER

Figure 10

Expenditure

(Euro Thousand)
As percentage
of total expenditure



Corporate Finance Unit

TABLE 6

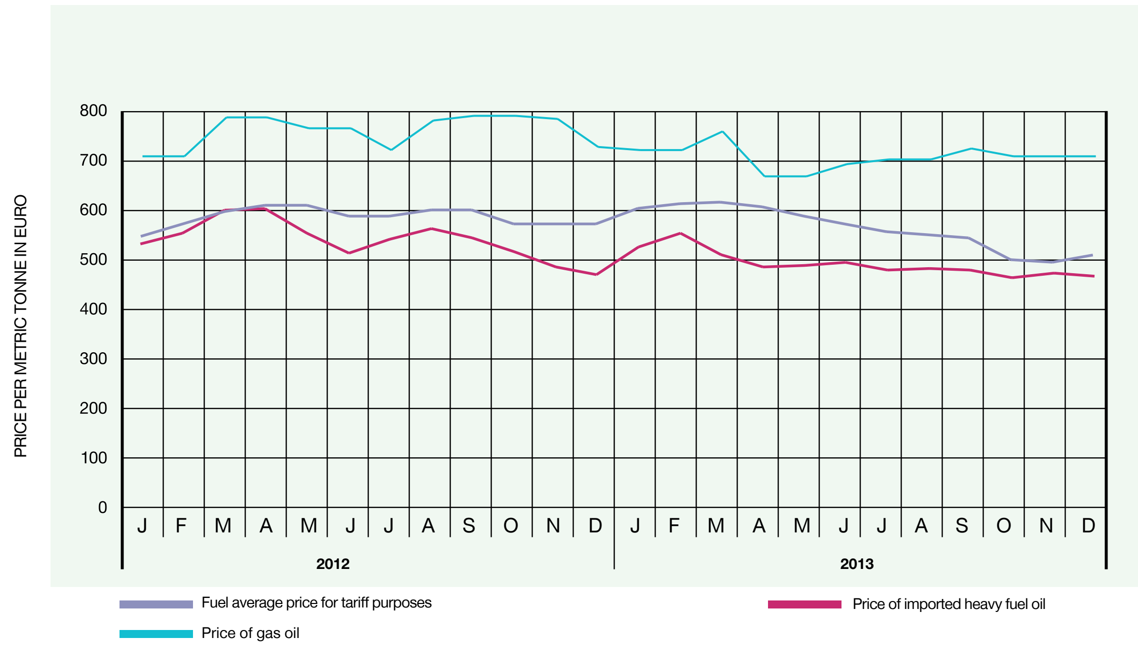
Principal Financial Statistics 2004 - 2013
During the Financial Year to 31 December

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Units sold (million kWh)	3 742	3 933	4 135	4 298	4 556	4 656	4 782	4 595	4 356	3 890
Consumption in the turkish occupied area (million kWh)	8	7	7	8	9	8	8	7	7	6
Total units (million kWh)	3 750	3 940	4 142	4 306	4 565	4 664	4 790	4 602	4 363	3 896
Installed capacity (MW)	988	988	988	1 118	1 168	1 388	1 438	965	1 493	1 598
INCOME (€ THOUSAND)										
Sales of electricity	361.041	432.177	513.105	546.737	736.215	627.253	776.390	857.776	966.552	796.930
Consumers capital contributions	11.138	12.064	13.085	14.241	15.389	16.655	17.855	19.047	19.973	20.698
Temporary Generators Cost Recovered by the Republic of Cyprus								17.229	31.702	-
Compensation from insurance									89.301	61.790
Temporary surcharge								19.858	61.680	8.047
Other operating income	2.421	905	3.182	4.869	5.575	5.846	15.174	10.628	14.129	18.298
Finance income	8.719	6.976	4.799	2.615	2.637	1.377	740	1.579	1.802	2.014
Total Income	383.319	452.122	534.171	568.462	759.816	651.131	810.159	926.117	1.185.139	907.777
OPERATING COSTS (€ THOUSAND)										
Other losses net									76	3.324
Operating costs	258.352	332.034	411.365	438.661	652.539	523.569	622.669	747.364	830.561	659.626
Temporary Generators Cost								17.229	35.302	-
Provision for the non recoverability of temporary generators cost									24.465	-
Repairs at Vasilikos power station									104.508	43.867
Depreciation	46.134	53.612	54.747	58.199	59.703	71.526	75.393	77.056	89.811	94.405
Total operating costs	304.486	385.646	466.112	496.860	712.242	595.095	698.062	841.649	1.084.723	801.222
Operating profit	78.833	66.476	68.059	71.602	47.574	56.036	112.097	84.468	100.416	106.555
Finance costs	(12.363)	(8.551)	(13.182)	(14.779)	(19.310)	(10.757)	(10.243)	(8.991)	(13.960)	(12.594)
Profit before tax and exceptional item	66.470	57.925	54.877	56.823	28.264	45.279	101.854	75.477	86.456	93.961
Exceptional item	(25.629)	(1.184)	-	-	-	-	-	-	-	-
Profit before tax	40.841	56.741	54.877	56.823	28.264	45.279	101.854	75.477	86.456	93.961
Tax	(16.235)	(16.671)	(16.251)	(16.802)	(7.933)	58.305	(10.440)	(7.788)	(8.935)	(20.970)
Provision as a result of the Tax Council Decision							(18.239)	1.896	-	-
Net profit for the year	24.606	40.070	38.626	40.021	20.331	103.584	73.175	69.585	77.521	72.991
RATIOS TO TOTAL INCOME										
Profit from operations (%)	20,6	14,7	12,7	12,6	6,3	8,6	13,8	9,1	8,5	11,7
Profit before tax (%)	10,7	12,5	10,3	10,0	3,7	7,0	12,6	8,1	7,3	10,4

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€THOUSAND)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Non Current assets										
Property, plant and equipment	1.082.047	1.124.526	1.185.076	1.285.124	1.387.312	1.583.500	1.789.271	1.926.871	1.936.747	1.898.029
Trade and other receivables	4.685	3.812	2.860	1.898	1.800	1.845	2.302	2.028	2.242	1.702
	1.086.732	1.128.338	1.187.936	1.287.022	1.389.112	1.585.345	1.791.573	1.928.899	1.938.989	1.899.731
Current assets	288.349	302.096	293.755	280.641	325.719	259.762	329.501	372.388	518.233	460.411
Total assets	1.375.081	1.430.434	1.481.691	1.567.663	1.714.831	1.845.107	2.121.074	2.301.287	2.457.222	2.360.142
RESERVES AND LIABILITIES (€THOUSAND)										
Reserves										
Revenue reserve	589.389	629.459	642.456	682.478	702.809	806.393	879.568	943.913	1.021.516	1.084.727
Other reserves									22.063	4.763
Government grant	15.555	15.555	15.555	15.555	15.555	15.555	15.555	15.555	15.555	15.555
	604.944	645.014	658.011	698.033	718.364	821.948	895.123	959.468	1.059.134	1.105.045
Non - current liabilities										
Borrowings	290.874	276.462	243.396	265.372	334.773	300.750	451.597	403.608	432.447	564.002
Deferred tax liabilities	73.075	79.231	84.036	91.042	98.056	38.402	24.479	27.762	36.103	51.596
Deferred Income	285.679	307.533	332.807	356.580	382.973	406.250	428.704	441.808	447.544	443.403
	649.628	663.226	660.239	712.994	815.802	745.402	904.780	873.178	916.094	1.059.001
Current Liabilities	120.509	122.194	163.441	156.636	180.665	277.757	321.171	468.641	481.994	196.096
Total Liabilities	770.137	785.420	823.680	869.630	996.467	1.023.159	1.225.951	1.341.819	1.398.088	1.255.097
Total reserves and liabilities	1.375.081	1.430.434	1.481.691	1.567.663	1.714.831	1.845.107	2.121.074	2.301.287	2.457.222	2.360.142

Figure 11
Prices paid for fuel oil & average prices used for tariff purposes (Fuel adjustment clause)



Auditor's Report and Financial Statements

Report and consolidated financial statements 31 December 2013

Contents

Board of Directors and other officers

Board of Directors

Chairman:	Othonas Theodoulou (appointed on 28.2.2014) George Pipis (appointed on 1.1.2014 and resigned on 27.2.2014) Charalambos Tsouris (appointed on 16.1.2013 and resigned on 31.12.2013) Harris Thrassou (resigned on 16.1.2013)
Vice-Chairman:	Demetra Karantoki (appointed on 1.1.2014) Georgios Pistentis (resigned on 31.12.2013)
Members:	Alexandra Pelagias-Christodoulou (appointed on 1.1.2014) Charalambos Artemi (appointed on 1.1.2014) Michalis Hadjipantelas (appointed on 1.1.2014) Nikolas Nikolaou (appointed on 1.1.2014) Loizos Loizou (appointed on 1.1.2014) Konstantinos Kosti (appointed on 1.1.2014) Yiannos Athienitis (appointed on 1.1.2014) Filitsa Ioannou (resigned on 31.12.2013) Panayiotis Hadjicharalambous (resigned on 31.12.2013) Sotos Shialaros (resigned on 31.12.2013) Yiannis Ioannou (resigned on 31.12.2013) Angelos Tzitzos (resigned on 31.12.2013) Andreas Oratis (resigned on 31.12.2013) Kyriacos Kyriacou (resigned on 31.12.2013)

Legal Advisers

Ioannides Demetriou, Nicosia

Auditors

Auditor General of the Republic
PricewaterhouseCoopers Limited

Electricity
Authority
of Cyprus

Report of the Board of Directors

1. The Board of Directors presents its report together with the audited consolidated financial statements of the Authority and its subsidiaries Elektriki Ltd and EAC LNG Investments Company Ltd (together the “Group”) for the year ended 31 December 2013.

Principal activities

2. The principal activities of the Authority, which have not changed since last year, is the generation, transmission, distribution and supply of electricity in Cyprus. Following an amendment in the Law on 24 November 2000 the Authority has been empowered to engage in activities that are relevant with the exploitation and development of its assets, technical capabilities, installations, services and knowhow.

Review of business developments, position and performance of the Authority’s business

3. The profit of the Authority for the year ended 31 December 2013 was €72.991 thousand (2012: profit of €77.521 thousand). On 31 December 2013 the total assets of the Authority were €2.360.142 thousand (2012: €2.457.222 thousand) and the net assets were €1.105.045 thousand (2012: €1.059.134 thousand). The financial position of the Group as presented in the consolidated financial statements is considered satisfactory. The Board of Directors is not anticipating any significant changes in the activities of the Authority in the near future.

4. On the 11 of July 2011 an explosion in the Evangelos Florakis Naval Base, near Vasilikos Power Station, caused extensive damages on the property, plant and equipment of the Station, taking the Station out of commission. The Station provided 60% of EAC’s generation. The Station has been fully restored during 2013.

Principal risks and uncertainties

5. The principal risks and uncertainties faced by the Authority are disclosed in notes 3 and 26 of the financial statements.

Future developments of the Authority

6. The Board of Directors of the Authority does not expect any significant changes or developments in the operations, financial position and performance of the Authority in the near future.

Results

7. The results of the Group for the year are presented on page 83. The net profit for the year is transferred to reserves.

Board of Directors

8. The members of the Board of Directors at 31 December 2013 and at the date of this report are presented on page 76.

9. There were no changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

10. There were no material post balance sheet events which have a bearing on the understanding of the consolidated financial statements.

Branches

11. The Group did not operate through any branches during the year.

Independent Auditors

12. The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office.

By order of the Board of Directors

Othonas Theodoulou
Chairman

30 May 2014
Lefkosia

Independent auditors' report To the Members of Electricity Authority of Cyprus

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Electricity Authority of Cyprus (the "Authority") and its subsidiaries (together with the Authority, the "Group"), which comprise the consolidated balance sheet as at 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Electricity Development Law Cap. 171, the Public Corporate Bodies (Audit of Accounts) Laws of 1983-2007, the Laws Regulating the Electricity Market of 2003-2012 and the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The impairment to the value of property, plant and equipment of the Vasilikos Power Station of €103,6 million caused by the event of 11th July 2011 at Mari (Note 1) has not been recognized in the consolidated financial statements for the year ended 31 December 2011. Also the amounts spent for the years ended 31 December 2011, 2012 and 2013 for the restoration of the property, plant and equipment of the Vasilikos Power Station of €8,6 million, €88,9 million and €43,9 million respectively, have been included in the consolidated statement of comprehensive income for the year ended 31 December 2012 at an amount of €97,5 million and for the year ended 31 December 2013 at an amount of €43,9 million as operating costs. This accounting treatment in our opinion does not comply with the requirements of IAS 16 "Property, plant and equipment" and IAS 36 "Impairment of Assets". As a result of the above, the operating costs before the depreciation charge for the years ended 31 December 2013 and 2012 should be reduced by €43,9 million and

€97,5 million respectively and the depreciation charge for the years ended 31 December 2013, 2012 and 2011 should be increased by €4,8 million, reduced by €2,6 million and reduced by €2 million respectively. The net book value of property, plant and equipment as at 31 December 2013, 2012 and 2011 should be increased by €37,5 million, reduced by €1,5 million and reduced by €93 million respectively.

Also, the compensation from insurance companies of €9,9 million, €132,6 million and €9,6 million for the years ended 31 December 2013, 2012 and 2011 respectively, was recognized by the Authority on the basis of the restoration costs of the Vasilikos Power Station for the each year. This accounting treatment in our opinion does not comply with the requirements of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and IAS 16 “Property, plant and equipment”. As a result of the above, the other operating income for the years ended 31 December 2013, 2012 and 2011 should be decreased by €52 million, increased by €43,4 million and increased by €9,6 million respectively. At 31 December 2013, 2012 and 2011, trade and other payables should be reduced by €1 million, €53 million and €1 million respectively.

Qualified opinion

In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Electricity Development Law Cap. 171, the requirements of the Public Corporate Bodies (Audit of Accounts) Laws of 1983-2007, the requirements of the Laws Regulating the Electricity Market of 2003-2012 and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Authority in so far as appears from our examination of these books, except as explained in the basis for qualified opinion paragraph.
- The Authority’s consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required, except as explained in the basis for qualified opinion paragraph.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the members of the Electricity Authority of Cyprus, as a body, the Minister of Commerce, Industry & Tourism, the House of Representatives and the Auditor General of the Republic in accordance with the Electricity Development Law Cap. 171, the Public Corporate Bodies (Audit of Accounts) Laws of 1983-2007, the Laws Regulating the Electricity Market of 2003-2012 and Section 34 of the Law of 2009 on Statutory Audits of Annual and Consolidated Accounts and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Loizos A Markides
Certified Public Accountant and Registered Auditor
For and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Lefkosia, 30 May 2014

Report of the Auditor General of the Republic to the Electricity Authority of Cyprus

I have examined the foregoing report on the consolidated financial statements on pages 82 to 129 of the Electricity Authority of Cyprus for the year ended 31 December 2013, submitted by the appointed auditors in accordance with section 3(1) of the Public Corporate Bodies (Audit of Accounts) Laws and I am satisfied that it is appropriate.

Dr Odysseas Michaelides
Auditor General of the Republic

30 May 2014
Lefkosia

Consolidated Financial Statements

Consolidated statement of comprehensive income
for the year ended 31 December 2013

	Notes	2013 €000	As Restated 2012 €000
Revenue	6	**796.930**	966.552
Other operating income	7	**110.847**	218.587
Other losses - net	8	**(3.324)**	(76)
Operating costs	9	**(797.898)**	(1.084.647)
Operating profit		**106.555**	100.416
Finance costs	11	**(12.594)**	(13.960)
Profit before tax		**93.961**	86.456
Tax charge	12	**(20.970)**	(8.935)
Profit for the year		**72.991**	77.521
Other comprehensive income for the year, after tax			
Items that will not be reclassified to profit or Loss			
Remeasurement of Pension Fund obligation		**(17.300)**	24.305
Total comprehensive income for the year		**55.691**	101.826

Other comprehensive income is presented after tax. The tax relating to each item of other comprehensive income is shown in Note 12.

The notes on pages 86 to 129 are an integral part of these financial statements.

Consolidated balance sheet
at 31 December 2013

	Notes	2013 €000	As restated 2012 €000	1 January 2012 €000
Assets				
Non-current assets				
Property, plant and equipment	16	**1.898.029**	1.936.747	1.926.871
Trade and other receivables	17	**1.702**	2.242	2.028
		1.899.731	**1.938.989**	1.928.899
Current assets				
Inventories	18	**152.835**	159.451	145.803
Trade and other receivables	17	**156.836**	274.426	187.596
Greenhouse gasses emission allowances		**1.528**	1.808	1.808
Financial Assets	13	**1.196**	-	-
Short-term deposits	19	**104.059**	69.937	33.078
Cash and cash equivalents	20	**43.957**	12.611	7.780
		460.411	518.233	376.065
Total assets		**2.360.142**	2.457.222	2.304.964
Reserves and liabilities				
Reserves		**1.105.045**	1.059.134	970.283
Non-current liabilities				
Borrowings	21	**564.002**	432.447	403.608
Deferred tax liabilities	22	**51.596**	36.103	27.513
Deferred Income	23	**443.403**	447.544	441.808
		1.059.001	916.094	872.929
Current liabilities				
Trade and other payables	24	**114.652**	209.204	178.943
Current tax payable		**7.693**	11.038	1.625
Borrowings	21	**52.632**	241.054	261.211
Deferred Income	23	**21.119**	20.698	19.973
		196.096	481.994	461.752
Total liabilities		**1.255.097**	1.398.088	1.334.681
Total reserves and liabilities		**2.360.142**	2.457.222	2.304.964

On 30 May 2014 the Board of Directors of the Electricity Authority of Cyprus authorised these financial statements for issue.

O. THEODOULOU
Chairman

S. STYLIANOU
General Manager

H. HADJIYEROU
Executive Manager Finance

The notes on pages 86 to 129 are an integral part of these financial statements.

Consolidated Financial Statements

Consolidated statement of changes in equity for the year ended 31 December 2013

	Capital Reserve €000	Other Reserve €000	Revenue Reserve €000	Total €000
Balance at 1 January 2012 - previously stated	**15.555**	**-**	**943.913**	**959.468**
Impact of change in accounting policies (Note 29)	**-**	**(2.242)**	**13.057**	**10.815**
Balance at 31 December 2012 - as restated	**15.555**	**(2.242)**	**956.970**	**970.283**
Comprehensive income				
Profit for the year	**-**	**-**	**77.521**	**77.521**
Other comprehensive income				
Remeasurement of Pension Fund Obligation	**-**	**27.005**		**27.005**
Deferred tax	**-**	**(2.700)**		**(2.700)**
Total other comprehensive income	**-**	**24.305**		**24.305**
Total comprehensive income for the year	**-**	**24.305**	**77.521**	**101.826**
Defence charge on Deemed Dividend Distribution for the year 2010	**-**	**-**	**(12.975)**	**(12.975)**
Balance at 31 December 2012 as restated	**15.555**	**22.063**	**1.021.516**	**1.059.134**
Balance at 1 January 2013 as previously stated	**15.555**	**-**	**1.008.160**	**1.023.715**
Impact of change in accounting policies (Note 29)	**-**	**22.063**	**13.356**	**35.419**
Total Income	**15.555**	**22.063**	**1.021.516**	**1.059.134**
Comprehensive income				
Profit for the year			**72.991**	**72.991**
Other comprehensive income				
Remeasurement of Pension Fund Obligation	**-**	**(19.071)**	**-**	**(19.071)**
Deferred tax	**-**	**1.771**	**-**	**1.771**
Total other comprehensive income	**-**	**(17.300)**	**-**	**(17.300)**
Total comprehensive income for the year		**(17.300)**	**72.991**	**55.691**
Defence charge on Deemed Dividend Distribution for the year 2011			**(9.780)**	**(9.780)**
Balance at 31 December 2013	**15.555**	**4.763**	**1.084.727**	**1.105.045**

(1) The Capital Reserve represents a government grant.

(2) Organizations which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend at the end of the period of two years from the end of the year of assessment to which the profits refer. Special contribution for Defence was increased to 17% for the taxable year 2009 and 20% for taxable years 2010-11 and decrease to 17% for taxable years 2012 - onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Authority on behalf of the Government of Cyprus.

The notes on pages 86 to 129 are an integral part of these financial statements.

Consolidated Statement of cash flows
for the year ended 31 December 2013

	Notes	2013 €000	2012 €000
Cash flows from operating activities			
Profit before tax		93.961	86.456
Adjustments for:			
Depreciation of property, plant and equipment	16	94.405	89.811
Amortisation of consumers' capital contributions	23	(20.698)	(19.973)
Loss/(Profit) on sale of property, plant and equipment	8	(12)	76
Interest expense and unrealised exchange loss	11	13.421	16.084
Interest income		(2.014)	(1.802)
		179.063	170.652
Changes in working capital:			
Inventories		6.616	(13.648)
Trade and other receivables		99.167	(52.984)
Convertion of deposits to share capital		(1.196)	-
Greenhouse Gas Emmission Allowances		280	-
Trade and other payables		(94.536)	23.743
Cash generated from operations		189.394	127.763
Tax paid		(16.831)	(6.607)
Net cash from operating activities		172.563	121.156
Cash flows from investing activities			
Short-term deposits		(34.122)	(36.859)
Purchase of property, plant and equipment		(56.795)	(99.863)
Proceeds from sale of property, plant and equipment		1.985	100
Additions to consumers' capital contributions	23	16.978	26.434
Interest received		1.912	1.618
Net cash used in investing activities		(70.042)	(108.570)
Cash flows from financing activities			
Proceeds from long term borrowings		180.000	75.000
Repayments of long term borrowings		(46.055)	(47.869)
Interest paid		(14.425)	(16.629)
Net cash (used in) from/financing activities		119.520	10.502
Net increase in cash, and cash equivalents and bank overdrafts		222.041	23.088
Net bank overdrafts at beginning of year		(182.272)	(205.360)
Net bank overdrafts at the end of the year	20	39.769	(182.272)

The notes on pages 86 to 129 are an integral part of these financial statements.

Notes to the consolidated financial statements

1. General Information

The Electricity Authority of Cyprus is a Public Corporate Body which was established in Cyprus under the Electricity Development Law Cap.171 of 1952. It is managed by a Board of Directors, consisting of a Chairman, Vice-Chairman and seven members, who are appointed by the Council of Ministers.

The address of the Authority's Head Office is at 11 Amfipoleos Street, Strovolos, P.O.Box 24506, CY-1399 Nicosia, Cyprus.

The Electricity Authority of Cyprus pursuant to the above Law is engaged in the generation, transmission, distribution and supply of electricity. Following an amendment in the Law on 24 November 2000 the Authority has been empowered to engage in activities that are relevant with the exploitation and development of its assets, technical capabilities, installations, services and knowhow.

With the accession of Cyprus to the European Union and the opening up of the electricity market to competition, the Electricity Authority of Cyprus in preparing for its harmonization with the European Union has taken all the necessary steps in order to conform with Directive 2003/54/EC of the European Parliament and of the Council of 19th December 1996 concerning common rules for the internal market in electricity.

Explosion at the Naval Base at Mari

On 11th of July, 2011 an explosion occurred at the naval base "Evangelos Florakis" in Mari, close to Vasilikos Power Station, resulting in extensive damage to property, plant and equipment of the station which was taken out of commission. The station covered 60% of EAC's generation.

At the date of the event Unit 5 was under construction and was insured by the contractor of Unit 5. The Authority had signed a separate insurance policy, with the insurance company of the contractor, for the value of the equipment which was delivered on the 1st July for temporary operation amounting to € 125,6 million with a deductible amount of € 250.000 (excess).

The rest of the plant as well as inventory is covered by an insurance policy with another company for the amount of € 662,7 million and €20 million respectively. The insurance policy covering all assets of the Authority of approximately € 1,9 billion provides maximum compensation from an incident of € 600 million and an amount of € 800.000 as deductible (excess).

The restoration of Vasilikos Power Station has almost been completed with total expenditure amounting to €104,5 m for year 2012 and €43,9 m for year 2013.

The repairs did not represent replacement of machinery or substantial repairs of the Generating Units. They related to the peripherals of the Units, that is parts and accessories, with their net book value and useful life not increasing, something which was confirmed by the Report of the Special Consultant.

Due to the above all reconstruction expenditure have been included in operating expenditure as repairs.

After the out of court settlement between the Government, the insurance company and the reinsurers, total compensation of €132,5 million was paid to EAC for Units 1-4. For Unit 5 an amount of €19,5 million has been received.

(a) Operating environment of the Authority

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. These events led to negotiations between the Republic of Cyprus and the European Commission, the European Central Bank and the International Monetary Fund (the "Troika") for financial support which resulted into the Eurogroup decision on 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through a "bail in". Additionally, during 2013 the Cyprus economy further contracted with a decrease in the Gross Domestic Product.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through the use of a "bail in" for Laiki Bank and Bank of Cyprus and the imposition of capital controls together with the current instability of the banking system and the continuing overall economic recession, have affected the ability of the Authority's trade and other debtors to repay the amounts due to the Authority the ability of the Authority to generate sufficient turnover.

The economic conditions described above, together with the impact of the Eurogroup decision of 25 March 2013 on Cyprus, had an adverse impact on the Authority's debtors (inability to meet their obligations towards the Authority) and revenue (decreased demand for the Authority's products or services due to decreased purchasing power of consumers).

The Authority's management has assessed:

(1) Whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortized cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.

(2) Whether the net realizable value for the Authority's inventory exceeds cost.

(b) Disclosure of general events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remains in Laiki Bank are mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses. The above measures resulted in impairment loss of Bank deposits amounting to €3.336.000. (Note 4).

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defense contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it with effect from 29 April 2013.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

2. Summary of Significant accounting policies

Basis of preparation

The consolidated financial statements of the Electricity Authority of Cyprus have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) the requirements of the Electricity Development Law, Cap. 171 the Laws regulating the Electricity Market of 2003-2012 and the Cyprus Company Law Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention as amended with the revaluation of financial assets at fair value through Profit and Loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Adoption of new and revised IFRSs

During the current year the Authority adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Authority with the exception of the following:

- Amendment to IAS 1 "Financial Statements Presentation" on Presentation of Items of Other Comprehensive Income. As a result of the adoption of this amendment, the Company groups items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

- IFRS 13, "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Standard resulted in additional disclosures in these financial statements. Refer to Notes.

- IAS19 "Employee benefits". The changes on the Authority's accounting policies have been as follows: to immediately recognize all past service costs; to replace interest cost and expected return on plan asset with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/(asset) and to recognize all remeasurements, previously known as actuarial gains/losses in other comprehensive income. See Note 29 for the impact on the financial statements.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Authority, except the following set out below:

- IFRS 9 "Financial Instruments: Classification and Measurement". Key features of the standard issued in November 2009 and amended in October 2010, December 2011 and November 2013 are:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent payments of principal and interest only (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss.

- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognize unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The amendments made to IFRS 9 in November 2013 removed its mandatory effective date, thus making application of the standard voluntary. The Authority does not intend to adopt the existing version of IFRS 9 until this is endorsed by the European Union. The Authority has not yet assessed the impact of the adoption of IFRS9 in its financial statements.

- IFRS 10, Consolidated financial statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective for annual periods beginning on or after 1 January 2014.

- IFRS 12, "Disclosures of Interests in Other Entities". IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard is effective for annual periods beginning on or after 1 January 2014.

Subsidiary undertaking

Subsidiary undertaking, is that entity in which the Authority has an interest of more than 50% of the voting rights or otherwise has the power to exercise control over its decisions. The subsidiary undertaking is consolidated from the date on which control is transferred to the Authority and is no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated as is also the case with unrealised losses unless cost cannot be recovered.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Authority. The cost of an acquisition is measured as the fair value of the assets given and equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are recognized in the Income Statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.
The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Authority's activities. Income is shown net of value added tax.

The Authority recognizes revenue when the amount can be reliably estimated, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

(a) Sales of electricity

Sales of electricity represent amounts receivable, based on consumption recorded by meters, net of V.A.T. Sales also include an estimate of the value of units supplied to consumers between the date of the last meter reading and the year end, and this estimate is included in receivables in the balance sheet.

(b) Interest Income

Interest income is recognized on a time proportion basis using the effective interest method.

(c) Consumers' capital contributions

The Authority accepts applications for extension of its network in areas not yet covered by the existing network by individuals and legal entities. Furthermore the Authority accepts applications for additional load from the existing network. In both cases the Authority charges the applicants with the construction cost.

The fact that the cost is recovered from applicants results in not having to be recovered by consumers through electricity tariffs. Otherwise this cost would have been included in tariffs and consumers would have been billed for the consumption of electricity with higher prices. All network extension applicants are charged with capital contributions and all consumers are billed with the same tariffs.

Applicants ensure the right of permanent access to the network for an unlimited period of time. The Authority is committed to providing access for an unlimited period of time. Capital contributions represent the price for this continuous service and hence income is shown as deferred income and is gradually released to the consolidated income statement over a period identical to that of the assets constructed/acquired for this purpose, and which have an average life of 33 1/3 years. This period is considered a reasonable approximation for calculating the period of the customer relationship.

Subsidies from the Authority in respect of such capital contributions are deducted from the amounts receivable when there is objective evidence that the Authority will not be able to collect these amounts and charged in the consolidated statement of comprehensive income at the time granted.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions. Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Foreign currency translation

(a) Functional and presentation currency

Items included in the Authority's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro (€), which is the Authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

All foreign exchange gains and losses are presented in profit or loss within "finance costs".

Employee benefits

The Authority operates one defined benefit plan and various other defined contribution plans the assets of which are held in separate trustee-administered funds. These plans are mainly funded by the Authority.

The present value of the obligation and the current service costs relating to the defined benefit plan are assessed using the projected unit credit method. The accumulated comprehensive surplus or deficit arising from the changes of the rate used for discounting projected future cash outflows concerning benefits and from differences between expected and actual return of the investments and other actuary judgements are recognized to the consolidated comprehensive income statement.

The Authority's contributions to the defined contribution plans are charged to the consolidated statement of comprehensive income in the year to which they relate.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax including interest and penalties. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Authority operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is recognized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Authority where there is an intention to settle the balances on a net basis.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly related to the acquisition of property, plant and equipment. For projects carried out by external contractors, cost is based on the value of work executed and certified by engineering consultants. For projects carried out by the Authority's own staff, cost comprises of materials, labour and related overheads.

Major spare parts and stand-by equipment are accounted for as property, plant and equipment when the Authority expects to use them during more than one period.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The estimated useful lives of the major elements of property plant and equipment are as follows:

	Years
Freehold land	Indefinite
Power station buildings	30
Other buildings	35
Power station plant and machinery	25
Other plant and machinery	25-30
Lines and cables	35-40
Meters	15
Motor vehicles	7
Furniture, fittings and office equipment	10
Tools and instruments	10
Hardware	5
Software	3

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit and loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and these are included in “other gains-net” in profit or loss.

Greenhouse Gas Emission Allowances

Based on the Cyprus Law for the Scheme of Greenhouse Gas Emission Allowance Trading, N.132(I)/2004, greenhouse gas emission allowances are allocated to the various operators (companies) with the objective of reducing the level of pollution in the environment.

Each operator, whose annual emissions exceed the number of emission allowances allocated for the specific year, is obliged to buy as many emission allowances as required to cover the shortage and in addition to pay a penalty fee for each tonne of excess emission as well as to sell any surplus.

Granted CO2 emission allowances are initially recognized at nominal value (nil value) when the Authority is able to exercise control over these rights. Purchased CO2 emission allowances are initially recognized at cost (purchased price) within intangible assets. A liability is recognized when the level of emissions exceeds the level of allowances granted. The liability includes the total cost of the purchased allowances and any additional deficit at the current market value of the allowances as at the balance sheet date. Movements in the liability are recognized in the consolidated statement of comprehensive income.

The intangible asset is surrendered at zero value at the end of the compliance period reflecting the consumption of economic benefit. Surplus emission allowances can be carried forward and off-set future shortages (up to the end of the compliance period) or be sold. Proceeds from the sale of surplus emission allowances are recognized upon the sale of these rights.

Impairment of non-financial assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or armortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

(i) Classification

The Authority classifies its financial assets at fair value through profit or loss in loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- **Financial assets at fair value through profit or loss**

This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Authority's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Authority's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be recognized within twelve months of the balance sheet date.

- **Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Authority's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date which is the date on which the Authority commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised as fair value and transaction costs are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within 'other (losses)/gains-net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The Authority assesses at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.
The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the profit or loss.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Inventories

Inventories are stated at the lower of cost and net recognized value. Cost is determined using the weighted average cost method. Cost includes purchase cost, transport and handling costs. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Provision is made for damaged, deteriorated, obsolete and unusable items where appropriate.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating costs in profit or loss.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Cash and cash equivalents

Cash and cash equivalents include cash in bank and in hand, short term deposits held at call with banks with average maturity up to 90 days and bank overdrafts. Short term bank deposits with maturity of 6-12 months is included in short-term bank deposits and within investing activities for cash flow purposes.
In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Borrowing costs are interest and other costs that the Authority incurs in connection with the borrowing of funds, including interest on borrowings, amortization of discounts or premium relating to borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Authority and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Authority has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Segmental reporting

The financial statements are also presented in separate statements per business segment.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The analysis per business segment is prepared for the activities of generation, transmission, distribution and supply which also complies with the requirements of the Laws regulating the Electricity Market of 2003-2012.

Comparative information

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co operation with the Group's operating units.

- **Market Risk**

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Authority's functional currency. The Authority is exposed to foreign exchange risk arising from various currency exposures with respect to the US Dollar, Pound Sterlings and Swiss Franks but believes that any change in foreign exchange rates will not have a material effect on its results.

The Authority's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The net foreign exchange difference debited/credited to the consolidated statement of comprehensive income amounts to €103.000 (2012: €2.316.000) which relates to financing activities (Note 11).

Cash flow interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Authority's income and operating cash flows are dependent on changes in market interest rates.

The Authority's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Authority to cash flow interest rate risk. Borrowings issued at fixed rates expose the Authority to fair value interest rate risk.

At 31 December 2013, if interest rates on Euro-denominated borrowings had been 0,1% (2012: 0,1%) higher/lower with all other variables held constant, post-tax profit for the year would have been €610.543 (2012: €660.250) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Authority's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Sales to retail customers are settled in cash, direct debits or using major credit cards. See Note 15 for further disclosure on credit risk.

The Management does not expect any losses from non-performance by these counterparties.

- **Liquidity risk**

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year €000	Between 1 and 2 years €000	Between 2 to 5 years €000	Over 5 years €000
At 31 December 2012				
Borrowings (Capital and interest)	250.236	60.437	153.719	304.153
Trade and other payables*	146.549	-	-	-
	396.785	**60.437**	**153.719**	**304.153**
At 31 December 2013				
Borrowings (Capital and interest)	60.767	50.407	183.291	457.049
Trade and other payables*	102.692	-	-	-
	163.459	**50.407**	**183.291**	**457.049**

*Excluding statutory liabilities and deferred income.

(ii) Capital risk management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Authority monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less short term deposits and cash and cash equivalents. Total capital is calculated as 'equity' ('Reserves' and 'Deferred Income' as shown in the balance sheet) plus net debt.

During 2013, the Authority's strategy, which was unchanged from 2012, was to maintain the gearing ratio within 15% to 30%. The gearing ratio at 31 December 2013 and 2012 was as follows:

	2013 €000	As restated 2012 €000
Total borrowings (Note 21)	**616.634**	673.501
Less: Short term deposits (Note 19)	**(104.059)**	(69.937)
Cash and cash equivalents (Note 20)	**(43.957)**	(12.611)
Net debt	**468.618**	590.953
Total equity	**1.569.567**	1.491.957
Total Capital as defined by Management	**2.038.185**	2.082.910
Gearing ratio	**23%**	28%

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. Different levels are stated as follow:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The following table presents the Authority's financial assets that are measured at fair value at 31 December 2013.

	Level 3 Total €000
At 31 December 2013	
Assets	
Financial assets at fair value through profit or loss:	
- Equity securities	1.196
Total financial assets measured at fair value	1.196

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus and Athens Stock Exchange equity investments and corporate debentures listed on the Cyprus Stock Exchange classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Adjusted comparable price-to-book value multiples.
- Other techniques, such as discounted cash flow analysis.

During 2013, following the March Eurogroup decisions, the Group obtained 4.532.191 shares in Bank of Cyprus are valued in Level 3 estimation basis.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future.
The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Deferred income

The Authority accepts applications for extension of its network in areas not yet covered by the existing network by individuals and legal entities. Furthermore the Authority accepts applications for additional load from the existing network. In both cases the Authority charges the applicants with the construction cost. The assets remain under the control of the Authority, that performs all necessary repairs and maintenance. Construction cost is recognized in property, plant and equipment.

The fact that the cost is recovered from applicants results in not having to be recovered by consumers through electricity tariffs. Otherwise this cost would have been included in tariffs and consumers would have been billed for the consumption of electricity with higher prices. All network extension applicants are charged with capital contributions and all consumers are billed with the same tariffs.

Applicants ensure the right of permanent access to the network for an unlimited period of time.
The Authority is committed to providing access for an unlimited period of time. Capital contributions represent the price for this continuous service and hence income is shown as deferred income and is gradually released to the consolidated income statement over a period identical to that of the assets constructed/acquired for this purpose, and which have an average life of 33 1/3 years. This period is considered a reasonable approximation for calculating the period of the customer relationship.

Subsidies from the Authority in respect of such capital contributions are deducted from the amounts receivable and charged in the consolidated statement of comprehensive income at the time granted.

(ii) Tax

Significant judgment is required in determining the provision for income taxes. These are transactions and calculations for which the ultimate tax determination is uncertain due to the ordinary course of business. The Authority recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets in the period in which such determination is made.

Were the actual final outcome to differ by 10% from management's estimates then the Authority would need to increase its current tax liabilities by €327.553 if the final outcome was not in the Authority's favor.

(iii) Impairment loss on bank deposits

As of 26 March 2013, the Group held deposits of €9.639.823 in Bank of Cyprus. Following the Eurogroup decision on 25 March 2013, the Group's uninsured bank deposit balances with Bank of Cyprus have suffered an impairment loss. The Group has considered that there was no impairment loss on the bank deposits which had not been converted into shares but an impairment loss has been suffered as a result of the conversion of 47,5% of the uninsured bank deposits into ordinary shares of Bank of Cyprus.
The impairment loss has been estimated at €3.336.000, being the difference between the deposit balance of €4.532.191 which was converted into 4.532.191 ordinary shares of Bank of Cyprus and the fair value of these shares which has been estimated at €0.264 per share.

In the absence of a listed market price for the Bank of Cyprus shares, and in view of the drastic changes in the activities, operations and structure of Bank of Cyprus as a result of the Eurogroup decisions in March 2013, the Group has estimated the fair value of the shares as of 31 December 2013 using non observable inputs.

(IV) Defined Benefit Plan

The present value of the Defined Benefit Plan obligation, depends on several factors that are determined based on the actuarial valuation by using various assumptions and estimates.

The assumptions and estimates used for determining the pension cost and the liability/assets, includes the discount rate, the expected increase of salaries and pensions. Such assumptions and estimates are subject to considerable uncertainty due to the long term nature of the plan.

5. Segmental reporting

For 2013 and 2012, the Cyprus Energy Regulatory Authority with a regulatory decision, approved separate fees for the Transmission, Distribution and Transmission System Operation. The revenue derived from the approved fees (Transmission, 0.86 cents/kWh of invoiced energy, Transmission System Operation 0.08 cents/kWh, Distribution 1,33 cents/kWh for medium voltage and 2,80 cents/kWh low voltage have been included in separate statements of comprehensive income. For Generation and Supply, for which no separate fees were approved a single statement of comprehensive income has been prepared. For 2012, deferred income for capital contributions of €19.973.000 is included in unallocated other revenue as required by the Statement of Regulatory Practice and Tariff Methodology. For 2013 the corresponding income of €20.698.000 is included in the income of Transmission and Distribution as a result of the new Regulatory Practice in effect for the year 2013. Expenses and amortization were included in the income statements using the same methodology.

Consolidated
Financial
Statements

The statements of comprehensive income and the related analysis is shown below:

	Generation/ Supply 2013 €000	Transmission 2013 €000	Distribution 2013 €000	Other 2013 €000	Unallocated amounts 2013 €000	Counter balanced amounts 2013 €000	Total 2013 €000
Electricity sales	795.912				1.018		796.930
Permitted revenue	26.062	33.452	91.964			(151.478)	-
Other income	57.245	3.891	22.425	5.174	22.112		110.847
Other (losses)/gains	(66)	11	67		(3.336)		(3.324)
Total income	879.153	37.354	114.456	5.174	19.794	(151.478)	904.453
Fuel	485.492						485.492
Purchase of electricity	40.257						40.257
Repairs at Vasilikos P/S	43.867						43.867
Salaries and related expenses	25.907	10.233	39.727	12			75.879
Depreciation	43.690	13.929	33.989	2.797			94.405
Other operating expenses	34.184	3.169	14.914	1.826	793		54.886
Ancillary services and energy reserve	26.062					(26.062)	
Use of transmission network	33.452					(33.452)	
Transmission System operating expenses	3.112						3.112
Use of Distribution System	91.964					(91.964)	
Total expenses	827.987	27.331	88.630	4.635	793	(151.478)	797.898
Operating profit	51.166	10.023	25.826	539	19.001	-	106.555

	Generation/ Supply 2012 €000	Transmis-sion 2012 €000	Distribu-tion 2012 €000	Other 2012 €000	Unal-located amounts 2012 €000	Counter balanced amounts 2012 €000	Total As restated 2012 €000
Electricity sales	965.409				1.143		966.552
Permitted revenue	29.183	40.942	104.074			(174.199)	-
Other income	186.828	328	4.283	1.472	25.676		218.587
Other (losses)/gains	(96)	3	17				(76)
Total income	1.181.324	41.273	108.374	1.472	26.819	(174.199)	1.185.063
Fuel	645.049						645.049
Purchase of electricity	42.084						42.084
Repairs at Vasilikos P/S	104.508						104.508
Cost of Temporary Generators	35.302						35.302
Provision for non-recoverability of compensation for temporary generating units	24.465						24.465
Salaries and related expenses	39.490	10.945	40.347	97			90.879
Depreciation	43.856	12.997	32.920	38			89.811
Other operating expenses	31.616	5.550	15.329	54			52.549
Ancillary services and energy reserve	29.183					(29.183)	
Use of transmission network	37.458					(37.458)	
Transmission System operating expenses	3.484					(3.484)	
Use of Distribution System	104.074					(104.074)	
Total expenses	1.140.569	29.492	88.596	189	-	(174.199)	1.084.647
Operating profit	40.755	11.781	19.778	1.283	26.819	-	100.416

The total assets and liabilities as at 31 December 2013 and 2012 are analysed below according to the Regulatory Practice and Tariff Methodology:

	Generation 2013 €000	Transmis-sion 2013 €000	Distribu-tion 2013 €000	Supply 2013 €000	Other Activities 2013 €000	Unallocated amounts 2013 €000	Counter balanced amounts 2013 €000	Total 2013 €000
Non current assets	716.514	321.855	812.006	2.306	47.050	-	-	1.899.731
Current assets	183.029	13.117	51.231	125.689	690	149.212	(62.557)	460.411
Total Assets	899.543	334.972	863.237	127.995	47.740	149.212	(62.557)	2.360.142
Current Liabilities	44.706	5.888	35.929	105.617	6.188	60.325	(62.557)	196.096
Non Current Liabilities	-	22.170	421.233	-	-	615.598	-	1.059.001
Reserves	-	-	-	-	-	1.105.045	-	1.105.045
Allocated Capital	854.837	306.914	406.075	22.378	41.552	(1.631.756)	-	-
	899.543	334.972	863.237	127.995	47.740	149.212	(62.557)	2.360.142

	Generation 2012 €000	Transmis-sion 2012 €000	Distribu-tion 2012 €000	Supply 2012 €000	Other Activities 2012 €000	Unallocated amounts 2012 €000	Counter balanced amounts 2012 €000	Total As restated 2012 €000
Non current assets	755.352	332.929	809.453	1.814	39.441	-	-	1.938.989
Current assets	295.130	17.418	66.508	152.340	523	82.548	(96.234)	518.233
Total Assets	1.050.482	350.347	875.961	154.154	39.964	82.548	(96.234)	2.457.222
Current Liabilities	132.794	9.001	41.918	140.128	2.295	252.092	(96.234)	481.994
Non Current Liabilities	-	22.377	425.167	-	-	468.550	-	916.094
Reserves	-	-	-	-	-	1.059.134	-	1.059.134
Allocated Capital	917.688	318.969	408.876	14.026	37.669	(1.697.228)	-	-
	1.050.482	350.347	875.961	154.154	39.964	82.548	(96.234)	2.457.222

Analysis per geographical segment is not presented because all of the operations of the Group are performed in Cyprus.

6. Revenue from Sale of electricity

Sale of electricity does not include all of the consumption in the Turkish occupied area where the Group has no access due to the prevailing conditions. The unbilled electrical energy, calculated at a special rate, amounts to €1.285.000 (2012: €1.395.000).

7. Other operating income - net

	2013 €000	As restated 2012 €000
Income from damages to property of the Authority	**138**	232
Net income from maintenance of public lighting and sale of materials	**465**	494
Income from fees for telecommunication usage of optical fibres	**1.451**	1.472
Income from Desalination	**2.792**	-
Consumers' capital contributions	**20.698**	19.973
Greenhouse gas emission allowances cost recovered	**3.966**	3.759
Temporary Generators Cost Recovered by the Republic of Cyprus	**-**	31.702
Compensation from Insurance Companies	**61.790**	89.301
Temporary Surcharge for the recovery of the extra generation cost	**8.047**	61.680
Sundry income	**9.486**	8.172
Interest income:		
Bank balances	**1.635**	1.721
Other	**379**	81
	110.847	218.587

8. Other losses - net

	2013 €000	2012 €000
Property, plant and equipment (Note 16):		
Profit/(Loss) on sale	**12**	(76)
Impairment Charge at Bank Balances	**(3.336)**	-
	(3.324)	(76)

9. Analysis of operating costs by nature

	2013 €000	As restated 2012 €000
Fuel	**485.492**	645.049
Repairs at Vasilikos Power Station	**43.867**	104.508
Purchase of Electricity from third parties	**40.257**	42.084
Salaries and related costs (Note 10)	**75.880**	90.879
Depreciation (Note 16)	**94.405**	89.811
Temporary Generators Cost	**-**	35.302
Provision for non-recoverability of compensation for temporary generators cost	**-**	24.465
Repairs and maintenance	**16.246**	17.125
Auditors remuneration	**96**	83
Rental expenses	**730**	910
Stock written off	**1.000**	845
Provision for Bad debts	**144**	400
Provision for Impairment of stock	**7.819**	4.108
Immovable Property Tax	**1.241**	-
Other expenses	**30.721**	29.078
	797.898	1.084.647

Other expenses disclosed above include fees amounting to €11.600 (2012: €52.162) for other non-audit services and tax consultancy fees €800 (2012: €1.251) charged by the Authority's Statutory Auditor.

10. Staff costs

	2013 €000	As restated 2012 €000
Wages and salaries	**82.470**	87.200
Social insurance and other costs	**8.443**	9.114
Social Cohesion Fund	**1.553**	1.700
Pension costs - current year cost	**4.710**	13.289
Other defined contribution plans	**3.970**	4.590
	101.146	115.893

	2013 €000	2012 €000
The staff costs were allocated as follows:		
Statement of Comprehensive Income (Note 9):		
- Salaries and employers contributions	**75.880**	90.879
- ΄Restoration of the Vasilikos P/S	**11.520**	4.055
Capitalized in fixed assets and work in progress	**13.746**	20.959
	101.146	115.893

Defined Benefit Plan

The amounts recognized in the consolidated balance sheet and the consolidate statement of comprehensive income of the Group as at 31 December 2013 are in accordance with the actuarial valuation as at 31 December 2012 for the defined benefit plan.

	2013 €000	As restated 2012 €000
Present value of defined benefit obligation	**514.263**	536.595
Fair value of plan assets	**(537.195)**	(574.149)
Net asset in Balance Sheet (Note 17)	**(22.932)**	(37.554)

	2013 €000	2012 €000
Current service cost	**6.164**	14.020
Interest on plan assets	**(1.454)**	(731)
Total included in 'staff costs' (Note 10)	**4.710**	13.289

Movement on Net asset included in the balance sheet	**2013 €000**	**2012 €000**
Net assets at start of year (as restated)	**(37.554)**	(3.677)
Employer contributions	**(9.227)**	(20.161)
Transfer from other plans	**68**	-
Expense recognized in the consolidated statement of comprehensive income	**4.710**	13.289
Total amount recognized in other comprehensive income	**19.071**	(27.005)
Net asset at end of year	**(22.932)**	(37.554)

Change in present value of benefit obligation during the year	**2013 €000**	**2012 €000**
Present value of obligation at start of year	**536.595**	584.222
Current service cost	**6.232**	14.020
Interest cost	**18.571**	28.972
Members contributions	**1.266**	1.312
Benefits paid	**(33.966)**	(30.518)
Actuarial loss on obligation - (financial assumption)	**(14.435)**	(83.166)
Actuarial gain - (demographic assumption)	**-**	16.443
Actuarial gain - (period experience)	**-**	5.310
Present value of benefit obligation at end of year	**514.263**	536.595

Changes in fair value of plan assets during the year	**2013 €000**	**2012 €000**
Fair value of plan assets at start of year	**574.149**	587.899
Expected return on plan assets	**20.025**	29.703
Employer contributions	**9.227**	20.161
Employee contributions	**1.266**	1.312
Benefits paid	**(33.966)**	(30.518)
Actuarial loss on plan assets	**(33.506)**	(34.408)
Fair value of plan assets at end of year	**537.195**	574.149

The principal actuarial assumptions used for the actuarial valuation were:

	2013 %	**2012 %**
Discount rate	**3,73**	3,53
Average expected return on plan assets	**3,73**	3,53
Average rate of salary increases	**2014-16: 0,00** **2017+: 3,5**	2013-16: 0,00 2017+: 3,5
Pension increases	**2014-16: 0,00** **2017+:1,5**	2013-16: 0,00 2017+:1,5
Price inflation	**2,0**	2,00
Mortality	**EVK2000**	EVK2000

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change	**Impact**
Discount Rate	+1%	-13,65%
Discount Rate	-1%	17,49%
Salaries/Pensions	+1%	15,66%
Salaries/Pensions	-1%	-12,28%

Plan assets are comprised as follows:

	2013 €	**%**	2012 €	%
Immovable property	**30.480.531**	**5,59**	12.400.000	2,15
Shares listed	**4.775.064**	**0,88**	10.910.900	1,89
Debentures listed	**97.798.008**	**17,95**	129.712.683	22,48
Debentures not listed	**4.000.000**	**0,73**	19.391.916	3,36
Receivables	**152.478.883**	**27,99**	107.361.245	18,60
Loans	**26.773.167**	**4,91**	31.895.564	5,53
Bonds listed	**-**		7.255.936	1,26
Hedge and Mutual Funds	**51.775.204**	**9,50**	40.676.780	7,05
Cash and net receivables	**176.858.491**	**32,45**	217.532.166	37,68
	544.939.348	**100,00**	577.137.190	100,00

Plan assets did not include any of the Authority's financial asset, immovable property or other assets.

Expected benefits to be paid from the defined pension plan for the next year are €20.756.000 (2012: €21.029.000).

11. Finance costs

	2013 €000	2012 €000
Interest expense:		
Bank borrowings	13.156	17.987
Overdue taxation	11	9
Other	189	967
	13.356	18.963
Net foreign exchange transaction gains	103	(2.316)
	13.459	16.647

The finance cost is allocated as follows:

	2013 €000	2012 €000
Operating costs	12.594	13.960
Cost capitalized under Fixed Assets or Buildings Under Construction	865	2.687
	13.459	16.647

12. Tax

	2013 €000	2012 €000
Current tax:		
Corporation tax - current year	3.184	2.775
- previous years	16	-
Defence contribution	506	266
Other taxes	-	4
Total current tax	3.706	3.045
Deferred tax (Note 22)		
Origination and reversal of temporary differences	8.851	5.890
Tax effect of change in applicable tax rate	8.413	-
Total deferred tax	17.264	5.890
Tax Charge	20.970	8.935

Tax on Group profit before taxation differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2013 €000	2012 €000
Profit before taxation	93.961	86.456
Tax calculated at the applicable tax rates on income and defence contribution	12.249	8.706
Tax effect of change in applicable tax rate	8.413	-
Tax effect of expenses not deductible for tax purposes	316	209
Tax effect of income not subject to tax	(24)	-
Tax charge - previous years	16	20
Tax charge	20.970	8.935

The Group is subject to income tax on taxable profits at the rate of 10% up to 31 December 2012, and at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised.
Up to 31 December 2008, under certain conditions interest may be subject to special contribution for defence at the rate of 10%. In such cases 50% of the same interest will be exempt from income tax thus having an effective tax rate burden of approximately 15%. From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% as from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Tax effects of components of other comprehensive income

	Year ended 31 December 2013			Year ended 31 December 2012		
	Before tax €	**Tax (charge)/ credit €**	**After tax €**	Before tax €	Tax (charge)/ credit €	After tax €
Defined benefit obligations: Remeasurements of post employment benefit obligations	(19.071)	1.771	(17.300)	27.005	(2.700)	24.305
Other comprehensive income	(19.071)	1.771	(17.300)	27.005	(2.700)	24.305

13. Financial assets at fair value through profit or loss

	2013 €000	2012 €000
Equity securities - not listed (Note 3(iii))	1.196	-

The financial assets at fair value through Profit or Loss are recorded in the cash flow statement as part of the movement in working capital.

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other gains - net' (Note 8) in profit or loss. During the year here was no change at fair value:

14. Financial instruments by category

Assets as per balance sheet - 2013

	Assets at fair value €000	Loans and receivables €000	Total €000
Non current receivables	-	1.702	1.702
Trade and other receivables (1)	-	151.835	151.835
Financial Assets at fair value through Profit & Loss	1.196	-	1.196
Short term deposits	-	104.059	104.059
Cash and cash equivalents	-	43.957	43.957
Total	1.196	301.553	302.749

Asset as per balance sheet - 2012

	Assets at fair value €000	Loans and receivables €000	Total €000
Non-current receivables	-	2.242	2.242
Trade and other receivables (1)	-	265.157	265.157
Financial Assets at fair value through Profit and Loss	-	-	-
Short term deposits	-	69.937	69.937
Cash and cash equivalents	-	12.611	12.611
Total	-	349.947	349.947

Liabilities as per balance sheet — **Other financial liabilities**

	2013 €000	As restated 2012 €000
Borrowings	616.634	673.501
Trade and other payables (excluding statutory liabilities and deferred income)	102.692	146.143
Total	719.326	819.644

(1) The rest of the balance sheet item 'trade and other receivables' is prepayments.

15. Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable):

	2013 €000	2012 €000
Trade receivables - net		
Group 1	2.287	2.470
Group 2	13.949	19.586
Group 3	62.215	80.729
	78.451	102.785
Part due trade receivables - net		
Group 4	17.635	20.793
Group 5	14.615	9.442
Group 6	900	-
Group 7	4.091	9.001
Group 8	6.476	6.408
	43.717	45.644
Other receivables - net		
Group 9	-	72.500
Group 10	8.437	8.916
	8.437	81.416

Short term bank deposits	2013 €000	2012 €000
A2	88.041	40.063
Ca	3.539	-
Caa1	30	-
Caa2	12.439	20.399
Without external credit rating (1)	10	9.475
	104.059	69.937

Cash and cash equivalents (2)	2013 €000	2012 €000
A2	44	-
B3	-	52
Ca	10.654	-
Caa1	17.400	-
Caa2	-	12.427
Caa3	11.235	-
	39.333	12.479

Group 1: New customers (less than 6 months) with no defaults in the past.
Group 2: Existing customers (more than 6 months) with no defaults in the past.
Group 3: Trade receivables billed during the next year.

Group 4: Existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.
Group 5: Receivables that have been provided for, excluding related parties.
Group 6: Receivables from related parties that have been provided for.
Group 7: Receivables from related parties including amounts with defaults in the past.
Group 8: Other trade receivables including amounts with defaults in the past.
Group 9: Amount due from the Republic of Cyprus with no defaults in the past.
Group 10: Other receivables with no defaults in the past.

(1) The Authority's Management monitors credit risk arising from deposits in financial institutions without external credit ratings.
(2) The rest of the balance sheet item 'cash and cash equivalents' is cash in hand and cash and cash equivalents without external credit ratings. The cash and cash equivalents without external credit ratings amount to €4.360.000 (2012 €169.000).

None of the financial assets that are fully performing, has been renegotiated.

16. Property Plant and Equipment

	Freehold land €000	Buildings €000	Plant and machinery €000	Lines, cables and meters €000	Motors vehicles €000	Furniture, fittings and office equipment €000	Tools and instru-ments €000	Computer hardware and software €000	Work in progress €000	Total €000
At 1 January 2012										
Cost	27.609	270.382	1.155.770	878.274	21.105	6.835	7.446	29.229	410.352	2.807.002
Accumulated depreciation	-	(88.988)	(457.503)	(281.110)	(15.200)	(5.174)	(6.030)	(26.126)	-	(880.131)
Net book amount	27.609	181.394	698.267	597.164	5.905	1.661	1.416	3.103	410.352	1.926.871
Year ended 31 December 2012										
Opening net book amount	27.609	181.394	698.267	597.164	5.905	1.661	1.416	3.103	410.352	1.926.871
Additions	290	3.749	544	468	540	444	119	397	93.312	99.863
Disposals	-	(4)	(66)	-	-	(20)	(84)	(2)	-	(176)
Depreciation charge	-	(10.895)	(49.869)	(24.946)	(1.618)	(446)	(316)	(1.721)	-	(89.811)
Transfers	553	51.758	240.014	84.530	-	-	-	673	(377.528)	-
Closing net book amount	28.452	226.002	888.890	657.216	4.827	1.639	1.135	2.450	126.136	1.936.747
At 31 December 2012										
Cost	28.452	325.885	1.396.260	963.272	21.402	7.036	7.191	30.153	126.136	2.905.787
Accumulated depreciation	-	(99.883)	(507.370)	(306.056)	(16.575)	(5.397)	(6.056)	(27.703)	-	(969.040)
Net book amount	28.452	226.002	888.890	657.216	4.827	1.639	1.135	2.450	126.136	1.936.747
Year ended 31 December 2013										
Opening net book amount	28.452	226.002	888.890	657.216	4.827	1.639	1.135	2.450	126.136	1.936.747
Additions	41	721	408	318	10	78	50	213	55.821	57.660
Disposals		(1.225)	(102)	(644)	-	-	-	(2)		(1.973)
Depreciation charge		(11.517)	(52.770)	(25.979)	(1.563)	(403)	(230)	(1.943)		(94.405)
Transfers	497	20.287	73.698	42.827	-	129	-	2.206	(139.644)	-
Closing net book amount	28.990	234.268	910.124	673.738	3.274	1.443	955	2.924	42.313	1.898.029
At 31 December 2013										
Cost	28.990	345.580	1.470.204	1.005.748	21.394	7.240	7.242	32.472	42.313	2.961.183
Accumulated depreciation		(111.312)	(560.080)	(332.010)	(18.120)	(5.797)	(6.287)	(29.548)		(1.063.154)
Net book amount	28.990	234.268	910.124	673.738	3.274	1.443	955	2.924	42.313	1.898.029

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2013 €000	2012 €000
Net book amount	**1.973**	176
Profit on sale of property, plant and equipment (Note 8)	**12**	(76)
Proceeds from sale of property, plant and equipment	**1.985**	100

Depreciation amounting to €94.405.000 (2012: €89.811.000) has been charged to operating costs.

During the year the Authority capitalized loan interest amounting to €865.000 (2012: €2.687.000) in property, plant and equipment that met the criteria. Loan interest has been capitalized with weighted average interest of 1,64% (2012: 2,17%).

Land and equipment located in Turkish occupied area

The total fixed assets shown in the balance sheet include land and equipment located in the area occupied by the Turkish invasion force, whose cost approximates €12.978.000. The depreciation provision for the year in respect of these assets was NIL (2012: NIL) bringing the accumulated provision at 31 December 2013 to €12.440.000 (2012 : €12.440.000) and leaving a written down value of €538.000 (2012: €538.000) which represents the cost of land. The consequences of the Turkish occupation on the value of this land and equipment is unknown.

17. Trade and other receivables

	2013 €000	As restated 2012 €000
Trade receivables	**139.041**	157.454
Less: Provision for impairment of receivables	**(16.873)**	(9.025)
Trade receivables - net	**122.168**	148.429
Republic of Cyprus	**24.465**	96.965
Less Provision	**(24.465)**	(24.465)
Net Assets of Pension Fund	**22.932**	37.554
Capital contributions receivable by installments	**1.443**	2.104
Advance payments to contractors	**4.419**	8.393
Other receivables net of provision for impairment	**6.994**	6.812
Prepayments	**582**	876
	158.538	276.668
Less: non-current portion of receivables and prepayments	**(1.702)**	(2.242)
	156.836	274.426

The maturity of non-current receivables and prepayments is as follows:

	2013 €000	2012 €000
Between 1 and 2 years	**983**	1.124
Between 2 and 5 years	**708**	1.038
Over 5 years	**11**	80
	1.702	2.242

The fair values of current trade and other receivables approximate their carrying values at the balance sheet date.

At 31 December 2013, trade receivable of €78.793.000 (2012: €95.877.000) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2013, trade receivables of €27.860.000 (2012: €43.100.000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2013 €000	2012 €000
Up to 3 months	**26.197**	36.774
3 to 6 months	**1.663**	6.008
Over 6 months	**-**	328
	27.860	43.110

As of 31 December 2013, trade receivables of €32.388.000 (2012: €18.467.000) were impaired and provided for. The amount of the provision was €16.873.000 as of 31 December 2013 (2012: €9.025.000). The individually impaired receivables mainly relate to consumers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.
The ageing of these receivables is as follows:

	2013 €000	2012 €000
Up to 3 months	**6.384**	1.317
3 to 6 months	**5.751**	2.395
Over 6 months	**20.253**	14.755
	32.388	18.467

Concentrations of credit risk with respect to trade receivables are limited due to the Authority's large number of customers who have a variety of end markets in which they sell. The Authority's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Authority's trade receivables.

Movements on the Authority's provision for impairment of trade receivables are as follows:

	2013 €000	2012 €000
At 1 January	**9.025**	4.935
Provision for receivables impairment	**7.989**	4.305
Receivables written off during the year as uncollectible	**(141)**	(215)
At 31 December	**16.873**	9.025

The creation and release of provision for impaired receivables have been included in operating costs in the consolidated statement of comprehensive income (Note 9). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

An amount of €24.465.000 receivable from the Republic of Cyprus has been impaired.
The other classes within trade and other receivables contain impaired assets or past due amounting to €38.000 (2012: €38.000).

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Authority does not hold any collateral as security.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2013 €000	As Restated 2012 €000
Currency		
Euro	**158.399**	276.599
United States dollars	**12**	14
Pound Sterling	**46**	50
Swiss Franc	**81**	5
	158.538	276.668

18. Inventories

	2013 €000	2012 €000
Fuel	**90.723**	91.602
Spares and consumables	**62.112**	67.849
	152.835	159.451

The cost of inventories recognized as expense and included in operating costs amounted to €488.627.000 (2012: €653.303.000).

All inventories are recognized at historic cost.

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19. Short-term bank deposits

	2013 €000	2012 €000
Short-term bank deposits	**104.059**	69.937

The effective interest rate on short term bank deposits was 0,40% - 4,00% (2012: 0,95% - 4.50%) and these deposits had a maturity of 6 - 12 months (2012: 6-12 months). Deposits of €79 millions and €12,4 millions are used as guarantees for loans and liabilities for fuel deliveries respectively.

20. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows represent the balance sheet amounts of cash at bank and in hand and are analysed as follows:

	2013 €000	2012 €000
Cash at bank and in hand	**40.081**	11.902
Short-term bank deposits	**3.876**	709
	43.957	12.611

The effective interest rate on short term bank deposits was 0,75% - 2,5% (2012: €1,90% - 3,5%) and these deposits had an average maturity of 32 days (2012: 46 days).

Cash and cash equivalents and bank overdrafts include the following for the purposes of the consolidated statement of cash flows:

	2013 €000	2012 €000
Cash and cash equivalents	**43.957**	12.611
Bank overdrafts (Note 21)	**(4.188)**	(194.883)
	39.769	(182.272)

Bank deposits with original maturity over 3 months include notice deposits with Bank of Cyprus amounting to €3.575.000 with maturities of six, nine and twelve months for which Bank of Cyprus has the option to renew them for an additional period of the same duration. The Group has classified these balances as current as the Group expects that Bank of Cyprus will not exercise its option to renew these for a further term and the balances will be available for use within the next 12 months from the balance sheet date.

21. Borrowings

	2013 €000	2012 €000
Current		
Bank overdrafts (Note 20)	**4.188**	194.883
Bank loans	**48.444**	46.171
	52.632	241.054
Non-current		
Bank loans	**564.002**	432.447
Total borrowings	**616.634**	673.501

Maturity of non-current borrowings is as follows:

	2013 €000	2012 €000
Between 1 and 2 years	**40.729**	48.444
Between 2 and 5 years	**142.293**	125.332
Over 5 years	**380.980**	258.671
	564.002	432.447

The loans are payable in various currencies stipulated in the loan agreements. Loans are guaranteed as to the repayment of principal and interest by the Republic of Cyprus.

The weighted average effective interest rates at the balance sheet date were as follows:

	2013 %	2012 %
Bank overdrafts, loans & suppliers' credits	**1,30**	2,3

The exposure of the Authority's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2013 €000	2012 €000
Floating rate		
6 months or less	**610.542**	660.250
Fixed rate on maturity	**6.092**	13.251
	616.634	673.501

The Company has the following undrawn borrowing facilities:

	2013 €000	2012 €000
Floating rate:		
Expiring within one year	**170.528**	41.312
Expiring beyond one year	**15.585**	3.805
	186.113	45.117

The carrying amounts of bank overdrafts and bank loans approximates their fair value.

The carrying value of the Authority's borrowings are denominated in the following currencies:

	2013 €000	2012 €000
Euro - functional and presentation currency	**616.634**	672.502
Swiss Frank	**-**	781
Pounds Sterling	**-**	218
	616.634	673.501

22. Deferred tax liabilities

Deferred tax liabilities are analysed as follows:

	2013 €000	As restated 2012 €000
Deferred tax liabilities after twelve months	**51.596**	36.103

Deferred taxation is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 12).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.
The gross movement of the deferred taxation account is as follows:

	2013 €000	As restated 2012 €000
At 1 January	**36.103**	27.513
Charged to Statement of comprehensive income (Note 12)		
- Current year	**17.262**	5.890
(Credit)/charged to other comprehensive income	**(1.771)**	2.700
At 31 December	**51.596**	36.103

The movement in deferred income tax assets and liabilities during the year is as follows:

	Accelerated Tax Depreciation €000	Deferred Income €000	Actuarial gains €000	Other €000	As Restated Total €000
Deferred tax liability to be settled after more than twelve months					
At 1 January 2012 - as restated	74.654	(46.178)	(249)	(714)	27.513
Charge/(Credited):					
Profit & Loss	6.732	(646)	-	(196)	5.890
Other comprehensive income	-	-	2.700	-	2.700
At 31 December 2012 - as restated	81.386	(46.824)	2.451	(910)	36.103
Charge/(Credited):					
Profit & Loss	29.582	(11.241)	-	(1.077)	17.264
Other comprehensive income	-	-	(1.771)	-	(1.771)
At 31 December 2013	110.968	(58.065)	680	(1.987)	51.596

23. Deferred income

	2013 €000	2012 €000
Consumers' capital contributions:		
Balance at 1 January	**468.242**	461.781
Additions	**16.978**	26.434
Transferred to the consolidated statement of comprehensive income	**(20.698)**	(19.973)
Balance at 31 December	**464.522**	468.242
Less: non current portion of deferred income	**(443.403)**	(447.544)
Current portion of deferred income	**21.119**	20.698

24. Trade and other payables

	2013 €000	As restated 2012 €000
Fuel oil suppliers	**32.121**	49.820
Other Suppliers	**9.272**	31.495
Deffered income - compensation from Insurance Companies	**1.000**[1]	52.890[1]
Value Added Tax payable	**8.825**	9.312
Pay As You Earn payable	**942**	859
Property Tax	**1.193**	-
Retention on capital contracts	**5.025**	8.287
Consumers' deposits	**18.521**	16.586
Payments received in advance	**3.091**	134
Interest payable	**426**	450
Other contribution to pension fund	**40**	-
Accrued charges	**4.115**	10.697
Creditors for purchase of land and substations	**10.084**	10.610
Amount available for interpleader proceedings	**9.101**[2]	9.513[2]
Other creditors	**10.896**	8.551
	114.652	209.204

The fair values of trade and other payables approximate their carrying values at the balance sheet date.

1. This amount represents a compensation from the insurance company which will be spent during 2013/2014 for the restoration of the Vasilikos Power Station.
2. This amount represents a retention of amounts payable to a supplier of fuel to award beneficiaries through interpleader proceedings.

25. Subsidiary undertakings

	% Holding	Country of incorporation	Principal activities
Electriki Limited Investments	100	Cyprus	Dormant
EAC LNG Investments Company Ltd	100	Cyprus	Dormant
EAC Solar Thermal Power Ltd	100	Cyprus	Dormant

The results of Subsidiary undertakings which during 2013 remained dormant were consolidated in the Group accounts of Electricity Authority of Cyprus.

26. Contingent liabilities

(a) At 31 December 2013 the Group had a contingent liability in respect of possible tax for various expenses, amounting to €3.276.000 (2012: €3.081.000).

(b) At 31 December 2013 the Group had contingent liabilities in respect of pending litigations amounting to €3.910.723 (2012: €6.666.723) and contingent assets of €434.921 (2012: €434.921), not including any amounts to be claimed from insurance companies relating to the Mari incident.

The Group believes that adequate defence exists against all claims and does not expect to suffer significant loss. Accordingly no provision has been made in these financial statements in respect of this matter.

(c) On 31 December 2013 the Group had the following guarantee documents:

(i) An amount of €2.798.000 for the benefit of Senior Customs Officer regarding the authorization granted to the Authority for exemption from payment of excise duty on energy products used for electricity generation, including fuel oil (diesel).

(ii) An amount of €5.006.000 for the benefit of the Water Development Department regarding the due performance of the contract for the supply of desalinated water.

(iii) An amount of $20.831.250 for the benefit of fuel suppliers.

27. Commitments
Capital commitments

	2013 €000	2012 €000
Commitments in respect of contracts or with work in progress	**13.986**	36.709
Approved commitments but not contracted without any work in progress	**50.766**	32.229
Approved commitments with expenditure outstanding	**64.752**	68.938

Operating lease commitments - where the Authority is the lessee

The future minimum lease payments under non-cancelable operating leases are as follows:

	2013 €000	2012 €000
Not later than one year	**473**	406
Later than one year and not later than 5 years	**924**	1.033
Over 5 years	**40**	95
	1.437	1.534

28. Related party transactions

The Electricity Authority of Cyprus is a Public Corporate Body which was established in Cyprus under the Electricity Development Law Cap. 171 of 1952.

(i) Sales

	2013 €000	2012 €000
Sales of electricity		
Related parties to the Organisation	**24.821**	35.485

The related parties consist of Governmental controlled entities (e.g. Government Offices, Ministries etc.) and all transactions were under the normal trade terms and conditions.

(ii) Year end balances - net

	2013 €000	2012 €000
Receivable from related parties from sales of electricity	**4.991**	9.001
Other receivables - net	**-**	72.500
	4.991	81.501

The related parties consist of Governmental controlled entities (e.g. Government Offices, Ministries etc.).

(iii) Key management personnel compensation

The compensation of key management personnel is as follows:

	2013 €000	2012 €000
Salaries and other benefits	**621**	594

(iv) Directors' remuneration

The total remuneration of the Directors (included in key management personnel compensation above) was as follows:

	2013 €000	2012 €000
Emoluments in their executive capacity	**31**	38

Consolidated Financial Statements

29. Adoption of IAS19 "Employee Benefits"

The group has adopted IAS19 (Revised 2011) "Employee Benefits" on 01.01.2013. The new accounting policy has the following impacts on the Financial Statements:

Impact of change in accounting policy on Balance Sheet (extract)

	As at 1.1. 2012 (as previously stated) €000	Adoption of IAS 19 (revised 2011) €000	As at 1.1. 2012 (restated) €000	As at 31.12.2012 (as previously stated) €000	Adoption of IAS 19 (revised 2011) €000	As at 31.12.2012 (restated) €000
Current Assets						
Retirement benefit asset	-	3.677	3.677	-	37.554	37.554
Reserves						
Retained Earnings	943.913	13.057	956.970	1.008.160	13.356	1.021.516
Other reserves	-	(2.242)	(2.242)	-	22.063	22.063
	943.913	10.815	954.728	1.008.160	35.419	1.043.579
Non-current liabilities						
Retirement benefit obligations	6.889	(6.889)	-	316	(316)	-
Deferred income tax liability/(asset)	27.762	(249)	27.513	33.652	2.451	36.103
	34.651	(7.138)	27.513	33.968	2.135	36.103

Impact of change in accounting policy on the Statement of comprehensive income (extract):

	For the year ended 31.12.2012 (as previoulsy stated) €000	Adoption of IAS 19 (revised 2011) €000	For the year ended 31.12.2012 (restated) €000
Operation Costs	1.084.946	(299)	1.084.647
Other comprehensive income:			
Remeasurement of Pension Fund Obligation	-	27.005	27.005
Deferrred tax	-	(2.700)	(2.700)
Total other comprehensive income after tax	-	24.305	24.305

Impact of change in accounting policy on Statement of Changes in Equity (extract)

	Other Reserve €000	Revenue Reserve €000	Total €000
Balance 31 December 2012 - as previously reported	-	1.008.160	1.008.160
Effect of changes in accounting policy	22.063	13.356	35.419
Balance 31 December 2012 - as restated	22.063	1.021.516	1.043.579
Balance 31 December 2013 - as previously reported	-	1.066.922	1.066.922
Effect of changes in accounting policy	4.763	17.805	22.568
Balance 31 December 2013 - as restated	4.763	1.084.727	1.089.490

30. Events after the balance sheet date

There were no material post balance sheet events which have a bearing on the understanding of the consolidated financial statements.

Independent Auditor's Report on pages 79 - 81.

Appendices

APPENDIX I

CONSUMERS, SALES AND AVERAGE PRICES

AS AT 31 DECEMBER	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NUMBER OF CONSUMERS										
Domestic	318 640	332 338	348 394	366 799	386 489	402 671	415 150	422 655	427 184	428 616
Commercial	72 941	74 916	76 272	78 294	80 913	83 160	84 800	85 325	85 198	84 695
Industrial	10 595	10 956	11 198	11 299	11 792	11 618	11 391	11 255	10 805	10 222
Agricultural	10 400	10 931	11 597	12 117	12 796	13 546	14 209	14 692	14 978	15 280
Public lighting	6 771	7 138	7 581	7 991	8 499	9 035	9 500	9 983	10 333	10 635
TOTALS	419 347	436 279	455 042	476 500	500 489	520 030	535 050	543 910	548 498	549 448
SALES TO CONSUMERS (Thousand kWh)										
Domestic	1 324 774	1 431 792	1 500 511	1 607 048	1 682 327	1 720 777	1 737 474	1 721 663	1 671 095	1 435 231
Commercial	1 518 582	1 587 196	1 713 921	1 783 885	1 881 173	1 918 932	1 990 994	1 854 782	1 836 756	1 655 761
Industrial	722 850	726 059	723 038	699 746	757 803	791 640	816 074	796 187	631.829	581 860
Agricultural	117 478	120 062	128 701	137 339	156 930	143 971	152 642	136 747	128.590	129 129
Public lighting	58 146	67 793	68 851	70 301	77 596	80 426	84 788	85 502	87.330	87 807
TOTALS	3 741 830	3 932 902	4 135 022	4 298 319	4 555 829	4 655 746	4 781 972	4 594 881	4 355 600	3 889 788
AVERAGE SALES PER CONSUMER (kWh)										
Domestic	4 158	4 308	4 307	4 381	4 353	4 273	4 185	4 073	3 912	3 349
Commercial	20 819	21 186	22 471	22 784	23 249	23 075	23 479	21 738	21 559	19 550
Industrial	68 226	66 270	64 568	61 930	64 264	68 139	71 642	70 741	58 476	56 922
Agricultural	11 296	10 984	11 098	11 334	12 264	10 628	10 743	9 308	8 585	8 451
Public lighting	8 589	9 497	9 082	8 798	9 130	8 902	8 925	8 565	8 452	8 256
AVERAGE PRICE PER UNIT BILLED (cent)										
Domestic	9,693	11,009	12,492	12,746	15,988	13,321	16,192	18,695	22,271	20,743
Commercial	10,388	11,748	13,009	13,328	16,982	14,196	16,905	19,377	22,645	20,840
Industrial	8,268	9,594	11,111	11,458	14,955	12,325	14,982	17,148	20,868	19,127
Agricultural	8,637	10,106	11,434	11,675	15,296	12,697	15,440	18,293	21,929	20,013
Public lighting	8,437	9,298	10,981	11,233	14,554	12,129	14,711	17,481	20,909	19,393
AVERAGE PRICE	9,647	10,988	12,408	12,719	16,178	13,473	16,232	18,668	22,188	20,488

APPENDIX 2

GENERATION, TRANSMISSION & DISTRIBUTION EQUIPMENT

Description	Unit	In Commission 31.12.2012	Commissioned in 2013	Taken out of Commission in 2013	In Commission 31.12.2013
GENERATION PLANT:					
Dhekelia Power Station					
Steam Turbines	No.	6	-	-	6
Capacity	MW	360	-	-	360
Internal Combustion Engines	No.	6	-	-	6
Capacity	MW	100	-	-	100
Temporary ICE	No.	-	-	-	-
Capacity	MW	-	-	-	-
Moni Power Station:					
Steam Turbines	No.	4	-	4	-
Capacity	MW	120	-	120	-
Gas Turbines	No.	4	-	-	4
Capacity	MW	150	-	-	150
Temporary ICE	No.	-	-	-	-
Capacity	MW	-	-	-	-
Vasilikos Power Station:					
Gas Turbines	No.	1	-	-	1
Capacity	MW	38	-	-	38
Steam Turbines	No.	-	3	-	3
Capacity	MW	-	390	-	390
Combined Cycle Gas Turbine Units	No.	2	-	-	2
Capacity	MW	440	-	-	440
Temporary ICE	No.	-	-	-	-
Capacity	MW	-	-	-	-
TRANSMISSION EQUIPMENT:					
220kV Transmission Lines operated at 132kV					
Route Length	km	43,885	-	-	43,885
Circuit Length	km	87,77	-	-	87,77
132kV Transmission Lines					
Route Length	km	430,532	10,574	-	441,106
Circuit Length	km	861,064	21,148	-	882,212
132kV Underground Cables					
Route Length	km	206,763	0,779	-	207,542
Circuit Length	km	206,763	0,779	-	207,542
132kV U/G Cables-Operated at 66kV					
Route Length	km	7,471	-	3,75	3,721
Circuit Length	km	7,471	-	3,75	3,721
66kV Underground Cables					
Route Length	km	2,185	-	1,43	0,655
Circuit Length	km	2,185	-	1,43	0,655

Description	Unit	In Commission 31.12.2012	Commissioned in 2013	Taken out of Commission in 2013	In Commission 31.12.2013
132kV Transmission Lines operated at 66kV					
Route Length	km	56,66	-	3,048	53,612
Circuit Length	km	113,32	-	6,096	107,224
66kV Transmission Lines					
Route Length	km	117,686	-	35,428	82,258
Circuit Length	km	117,686	-	35,428	82,258
132/66kV Interbus Transformers	No.	13	-	-	13
	MVA	648	-	-	648
132/11kV Step Down Transformers	No.	94	8	1	101
	MVA	3 152	272	31,5	3 392,5
132/6,6kV Step Down Transformers	No.	2	-	-	2
	MVA	58	-	-	58
132/3,3kV Step Down Transformers	No.	2	-	-	2
	MVA	20	-	-	20
66/11kV Step Down Transformers	No.	56	1	2	55
	MVA	588	15	26	577
66/3,3kV Step Down Transformers	No.	2	-	-	2
	MVA	5	-	-	5
15,75/132kV Step Up Transformers	No.	3	-	-	3
	MVA	495	-	-	495
11/132kV Step Up Transformers	No.	20	-	-	20
	MVA	1 304	-	-	1 304
11/66kV Step Up Transformers	No.	4	-	-	4
	MVA	150	-	-	150
Substations	No.	64	-	-	64
DISTRIBUTION EQUIPMENT:					
MV Overhead Lines	km	5 696,21	101,605	20,57	5 777,28
MV Underground Cables	km	3 608,98	101,28	13,75	3 696,6
LV Overhead Lines	km	9 558,19	146,108	34,57	9 669,73
LV Underground Cables	km	5 366,61	325,33	5,295	5 686,65
22000-11000/433/250V					
P.M. Transformers	No.	9 754	253	74	9 933
	kVA	910 756	21 548	8 815	923 489
22000-11000/433V					
G.M. Transformers	No.	6 023	136	10	6 149
	kVA	3 377 800	83 508,885	28 440	3 432 868,89

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