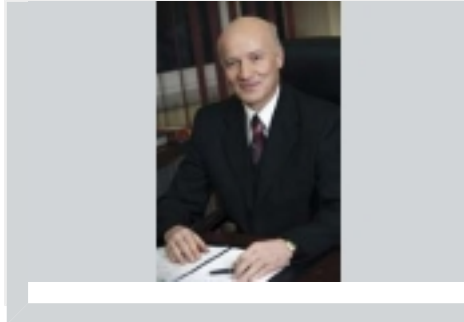


## We need a special law

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Blackouts can occur anywhere in Poland and for a multitude of reasons, like overiced or damaged systems or failing infrastructure, says Waldemar Skomudek, Vicepresident for Network Infrastructure, PSE Operator S.A.

Q: What kind of systems does your company operate?

A: We operate our own high-voltage electric power network (400 and 220 kV). In all, we have about 13,000 kilometres of electric lines, we also run 95 electric power stations countrywide.

PSE Operator also has links to Germany, the Czech Republic and Slovakia, and as of recently also Ukraine and Belarus. The only line we don't control is a direct-current connection with Sweden.

Q: Are your forwarding systems in good shape? Or must we fear blackouts like recently in Szczecin?

A: One-third of our pool is 40 and more years old. Unfortunately I can't say our systems are flawless. For reasons beyond our control we're unable to modernize them as quickly as we'd like to.

What's more, since 1989 the demand for electricity has been rising faster than we've been building new electric lines, and the problem here are not failing funds but legal barriers.

Blackouts can occur anywhere in Poland and for a multitude of reasons. Icy weather, which led to the one in Szczecin, is a rarity, but there are infrastructure-

connected threats. To-date we've been unable to close electric power rings around Warsaw, Poznań, Wrocław and Gdansk. These cities are most prone to electric blackouts.

Q: What are these legal barriers?

A: The biggest problem is easement, which has a direct bearing on delays in investments. Easement matters have not been properly regulated in the case of most of our lines, and in effect we are unable to modernize them or remove malfunctions fast. A case in point is the stoppage of an electric line project from Ostrów Wielkopolski to Plewiska, which is of strategic importance for energy security in west Poland. PSE mapped this project out still in the 1970s and when we started on it in 2003 the line's route was agreed on with all local communities. Unfortunately we managed to put up only 136 kilometres of this 144-kilometre stretch because one community re-classified some of its terrain close to the project into construction plots, and soon housing development began to appear there. This resulted in protests against our project and in effect we lost our construction licence. Until this line is finished we won't be able to close down and modernize the current systems in the region because that would black out not only Poznań, but vast parts of the region.

Q: Can the recent Civil Code changes be any help?

A: They are insufficient. True, easement is mentioned in the amendments but the new law doesn't contain an algorithm to calculate the damages to be paid to landowners on existing or planned electric traction routes. As matter stand today we employ experts for such calculations. This, however, frequently leads to conflict when landowners refuse to accept the offered amounts and take the case to court. And as often as not their demands run far above our calculations. This we cannot agree to as higher damages would raise electricity costs. If the power sector is to invest in infrastructure, it absolutely needs a special law, as is the case with roads and railways.