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Contacts:

Balkan Energy News office
<http://NEWS.BalkanEnergy.com>
news@balkanenergy.com

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Balkan Energy NEWS publication

Balkan Energy NEWS service provides energy related news from countries of South East Europe. Covered countries are Albania, Bulgaria, Bosnia & Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey. Besides all regional energy related news, we are giving you in each issue one market analysis and review of the tenders announced and held in this area. You will be also able to see review of energy market data and relevant power exchanges.

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1122	Slovenia	2009	11182	1027	891	953	850
1134		2010	12287	1083	991	1054	941
1077		2011	12590	955	1051	1127	997

Annual electricity consumption in GWh

Year	Sum	1	2	3	4
2007	11182	1027	891	953	850
2008	11570	1094	998	1012	911
2009	10994	1099	932	963	816
2010	11722	1074	979	1016	910
2011	12186	1155	1038	1075	938
2008	34506	3100	3209	2960	2637
2009	32722	3051	3196	2638	2443
2010	31954	3486	3052	3021	2443
2011	33452	3475	3107	3087	2577
2008	17842	1680	1543	1570	1446
2009	17507	1625	1530	1551	1323
2011	18778	1558	1588	1356	1588
2008	53504	4915	4539	4289	4105
2009	53504	4652	4271	4401	3894
2010	53565	4666	4107	4327	3913
2011	55111	4423	4423	3865	4423
2009	7576	933	795	761	687
2010	7576	802	747	486	486
2011	7576	747	568	568	568
2009	50636	4735	4418	4860	4050
2010	50636	5170	4801	4795	4398
2011	50636	4736	4268	4473	3803
2009	53365	4874	4472	4727	4111
2010	53365	4874	4472	4727	4111
2011	53365	4874	4472	4727	4111

Country Reports on Energy Business in South Eastern Europe

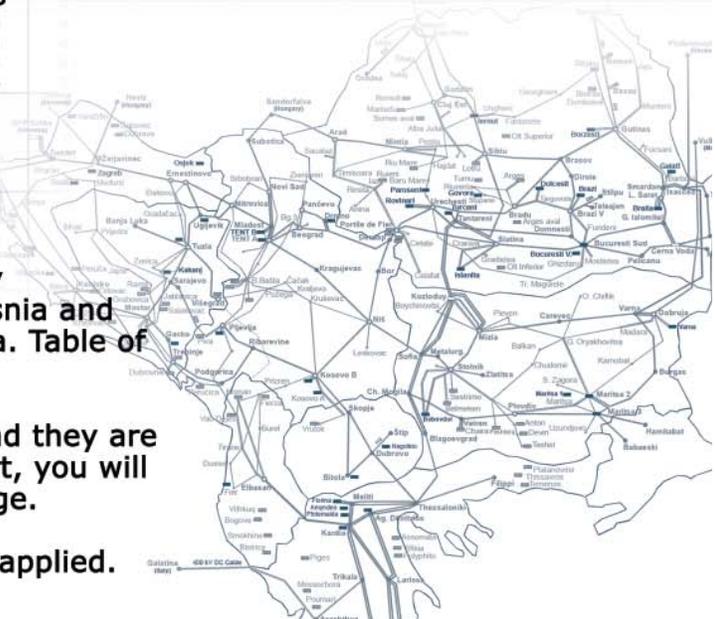
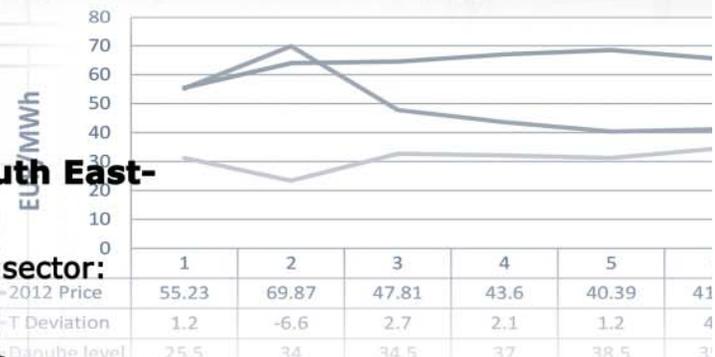
Country reports provide detailed overview of energy sector:

- Overview of the electricity market,
- Consumption, production and export characteristics
- Actualities - hot topics
- Key market players,
- Legislation and electricity market opening
- Electricity prices and tariffs,
- Potentials for investments in power generation,
- Privatizations in power industry
- Current state of RES sector

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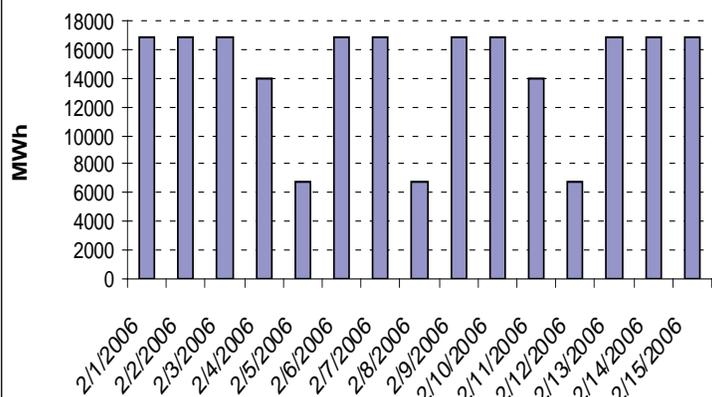
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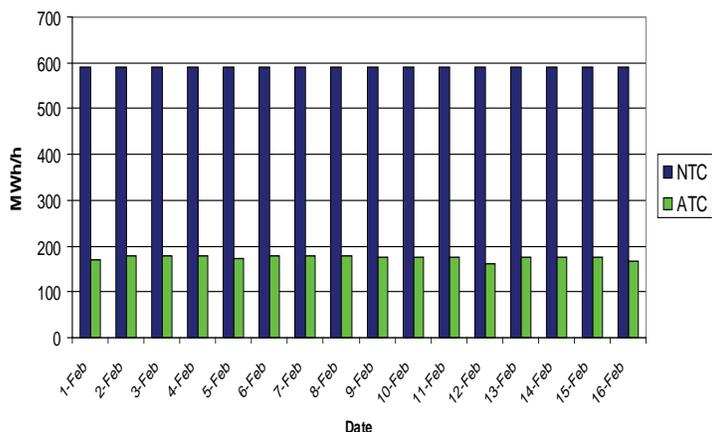
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Power exchanges data:

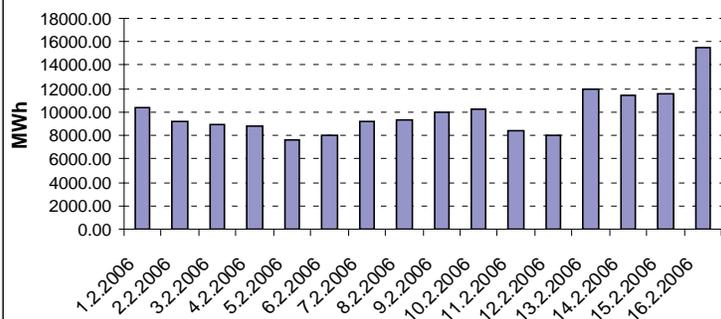
SLOeX - Index - Borzen, Slovenia



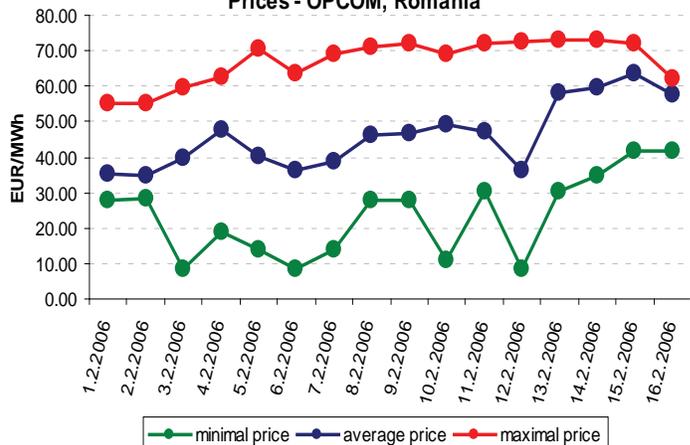
Greece - Average Daily Transmission Capacities



Energy traded - OPCOM, Romania



Prices - OPCOM, Romania



Analysis:

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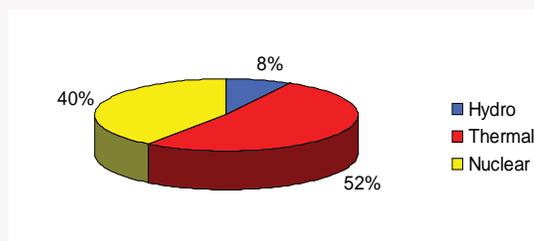
Review of Power Sector in Bulgaria

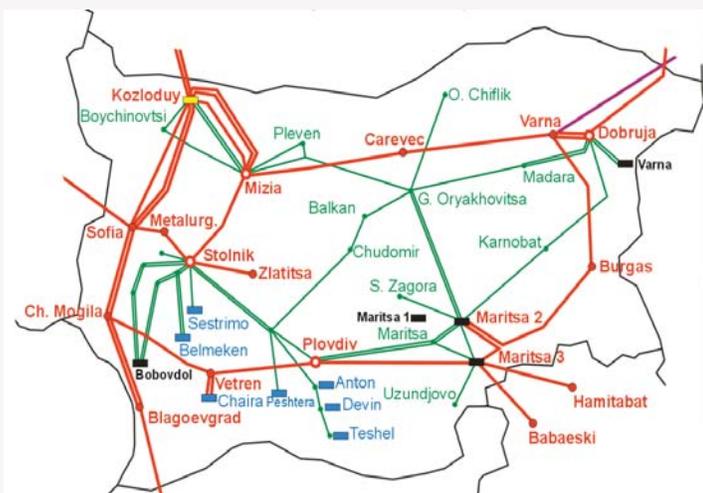
This is sample of the full report "Analysis of Power Sector in Bulgaria" from SEE Energy Assessment. Full report contains 49 pages. For more info about full report visit www.seeea.net

Area: 111,000 sq. km.
 Population: 8.3 mil
 Installed capacity:

- Hydro 2615 MW
- Thermal 6613 MW
- Nuclear 2880 MW

Electricity consumption (2004): 35379 GWh
 Generation (2004): 41538 GWh





Due to transition processes and political changes Bulgaria has had degradation of its economy in middle 1990s. So, starting from the year 1998 electricity consumption decreased because of industry decay. Now consumption in Bulgaria is significantly lower than it was in the beginning of 1990s, this is mainly because consumption of industry is much lower. Electric power utility company is NEK (www.nek.bg) and it is responsible for electricity transmission, system and market operation. It's monopoly as a buyer and seller will end in 2007. Now NEK is reorganized into seven independent power generators (six thermal power generators and Kozloduy NPP) and seven distribution companies. Electricity consumption in past 9 years is shown in full report on diagram Bul. 1.

Electricity generation is based on coal fired thermal power plants and Kozloduy nuclear power plant. Hydro generation is insignificant comparing to thermal generation. Thermal power plants are using domestic low quality lignite located mainly in the Maritsa mines or imported coal. The biggest plant using imported coal is TPP Varna near the Black Sea coast. All thermal power plants are generally old and need modernization. National strategy is oriented to the usage of domestic coal reserves. Electricity sector largely depends on imports of primary fuels for Nuclear and thermal power plants. Besides own coal production, significant amount of coal are being imported from Ukraine.

Bulgarian nuclear power plant Kozloduy has total installed capacity of 2880 MW. It has two older units and two relatively new made. Because of EU pressures based on safety reasons, two oldest units No. 1 and No. 2 in NPP Kozloduy (440 MW each) have been decommissioned in 2003. Two more units 440MW each will be decommissioned soon, according to EU propositions in 2006 but Bulgarian government wishes to postpone closure up to 2010. Units presently active in NPP Kozloduy are shown in following table:

Unit	Installed capacity	Commissioning date
No. 3	440 MW (WVER 440/230)	1980
No. 4	440 MW (WVER 440/230)	1982
No. 5	1000 MW (WVER 1000/320)	1987
No. 6	1000 MW (WVER 1000/320)	1991

Power plant	Installed capacity
TPP Maritsa East 2	1450 MW
TPP Varna	1260 MW
TPP Maritsa East 3	840 MW
TPP Bobov Dol	630 MW
TPP Rousse	400 MW

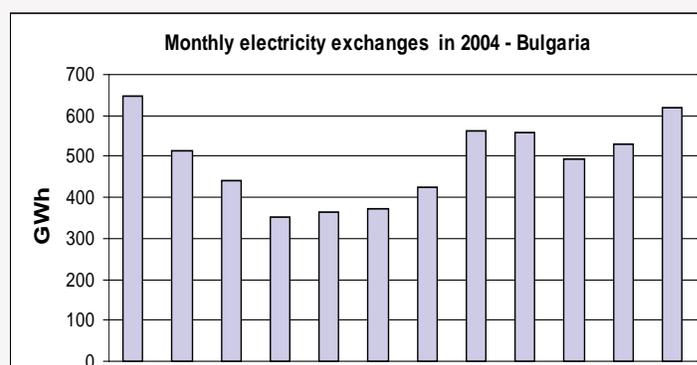
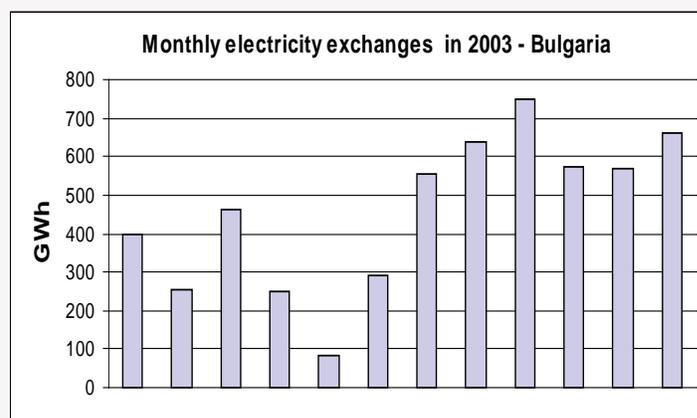
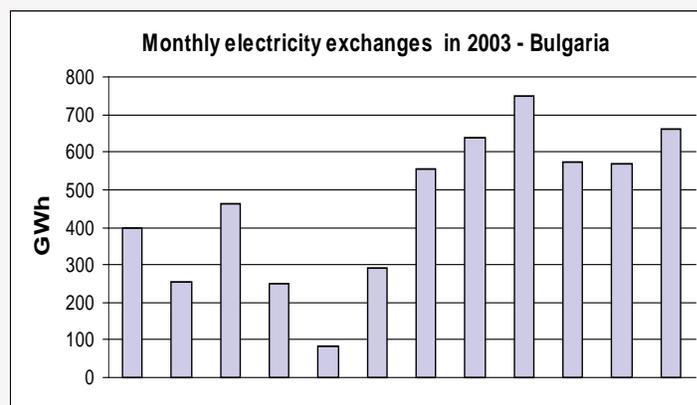
Thermal power plants are very old and significant capacities are not in

There are 51 hydro power plants in Bulgaria. Many small ones are already privatized. Total installed capacity of all hydro power plants is 2615 MW. Hydro power plants generate small amounts of energy. There are 14 larger hydro power plants within 4 cascades systems: Belmeken-Sestrimo-Chira, Batak, Vacha and Arda. They are mainly used to regulate power system operation and cover peak load. There are 4 sets of pumped-storage hydroelectric power stations located at Chaira. Total installed capacity consists of 4 reversible sets is 864 MW (generating mode) and 788 MW (pump mode).

The total installed capacity of the electricity generating units in Bulgaria is around 12300 MW, but their actual available capacity is significantly lower. Reasons for this low capacity availability are stated in full report.

Presently Bulgaria is the biggest electricity exporter in South East Europe. Since lots of thermal capacities are near the end of their operating lifetime and because of decommissioning of units No. 3 and No. 4 in NPP Kozloduy that will be realized in next few years, Bulgaria could lose its position of electricity exporter unless big investments in power generation are going to be undertaken. Diagram Bul. 2 below shows annual exports of Bulgaria in last 9 years.

Monthly exchanges of Bulgaria in the years 2002, 2003 and 2004 are shown on following diagrams.



Some of priority investments are into rehabilitation of transmission network and substations. One of the most important projects is completion of 400 kV interconnection line with FYR of Macedonia Dubrovo (FYROM) – Štip (FYROM) – Ch. Mogila (BUL). New 400 kV interconnection line with Turkey Maritsa East 3 (Bulgaria) - Hamitabat (Turkey) is constructed recently in order to increase transfer capacity on that border. Turkey is expected have big deficits of electric energy and it is also expected that it will become UCTE member soon. Even one more interconnection line between Bulgaria and Turkey is planned in order to enable big exports and transits to Turkey. Bg investments are expected to come into rehabilitation of existing thermal power plants in order to extend their operating life period. Majority of thermal generation blocks are very old.

Construction of nuclear power plant Belene started in 1980, but due to financial problems it is suspended. So some basic facilities, road, railway and construction yard are already completed. Recently works on NPP are restored and it is planned to be completed in the year 2010. Installed capacity of the first reactor will be 1000 MW. This nuclear power plant will be of great importance for Bulgaria after closure of units 3 and 4 in NPP Kozloduy and it will ensure that Bulgaria will remain the biggest electricity exporter in the region.

Up to year 2010 three main generation projects are priority. Completion of all three projects within the foreseen period is maybe questionable, but this period will not be prolonged for more then few years. These projects are:

1. NPP Belene (1000 MW)
2. TPP Maritsa East 1 (600 MW, domestic lignite fired)
3. HPP Tsankov Kamak (80 MW)

News:

EFT Group second ranked in energy exchange in Austria (Region)

Since January this year, EFT Group, electricity trade company from Belgrade, has taken second place on the energy exchange in Austria (EXAA).

After publishing the trade results for 2005th and plans for 2006th, EXAA's representative said that trade volume of EFT Group made 9,74 % of overall trade activities on EXAA.

EXAA, along with energy exchange EEX from Frankfurt, is one of the leading energy exchanges in Europe, where about 30 traders and producers of electrical energy from whole Europe has been carrying out their trading activities. In 2005th, overall trade volume on spot trade in EXAA was 1,54 TWh.

EFT Group is the largest electrical energy trade company in Southeastern Europe. More than 60 % of EFT's sales were achieved on EU markets, and company has achieved 420 million euros turnover in 2005th.

In the same time, EFT is the largest investor in energy sector in Bosnia and Herzegovina, where EFT has invested 40 million euros in Coal Mine Stanari, near city of Doboj, and in the project for the construction of water tunnel complex for the purpose of production of electrical energy.

In 2007th, EFT plans to start the construction of thermal power plant near coal mine Stanari, with power output of 250 MW, for which purpose company is willing to invest 320 million euros.

§ § §

Memorandum for the Pan European pipeline in March (Region)

Memorandum for the construction of the Pan European pipeline will be signed in Trieste on March 21st and 22nd.

This was confirmed on the 7th session of the Interstate committee for realization of project held in Zagreb in first week of February.

The representatives of Serbia and Montenegro, Romania, Croatia and Italy will sign the agreement.

Slovenian representatives will be present at the signing ceremony but it will not sign the agreement because feasibility study, ordered by government of Slovenia, will not be finished until that time.

Oil pipeline will be 1.319 km long, it will start from Romanian port Constanza and pass over the territory of Serbia, Croatia, and Slovenia and it will end in Italian port Trieste.

The worth of the construction works is estimated at 2 billion dollars.

§ § §

KESH published public invitation for import of electricity (Albania)

On February 14th, Albanian power corporation (KESH) has invited international companies to place their bids for the delivery of electrical energy to Albania in last nine months in 2006th.

The worth of the contract offered by KESH is about 50 million euros. According to sources from KESH, ten companies have earlier expressed their interest to sign supply contract of 1,436 GWh for the period from April to December this year.

The tender results should be published on February 27th.

KESH has cancelled international tender on December 2005th due to high offered prices, but later it has signed three month contract with EFT, EGL and Ezpada.

§ § §

30 million euros of investments in energy sector expected (Albania)

According to the press release of the Finance and Commerce department of the Greek embassy in Tirana, foreign investments in the energy sector in Albania should reach 30 million euros in this year.

The investors from Germany, Italy and Spain, but also from international financial institutions such as EBRD, would finance the projects for the production of electrical energy and usage of renewable energy sources.

The certain funds should be invested through the governmental development programs.

§ § §

Cooperation in energy sector (Macedonia & Albania)

Macedonia's economy minister announced that future cooperation between Macedonia and Albania would have good prospects having in mind that two countries were interested for the cooperation the electrical energy and natural gas sectors.

The minister particularly mentioned potential joint projects for the construction of power lines and natural gas pipelines. He pointed out that

Macedonia's priority would be cooperation with the Albania and Kosovo in economy sector.

Minister announced the continuation of the successful economic cooperation from the last year, which should be even more intensified after the establishment of the liberalized trade in the region.

§ § §

International donors' conference for the electrical energy sector (Albania)

In the end of January, the state of Albania has organized the international donors' conference in order to attract the investors to finance the projects that could improve the inadequate situation in country's electrical energy sector.

During the winter season in 2005th and in the beginning of 2006th, Albania has experienced serious problems in the power supply, which led to the worst power cuts and electrical crises in the recent history.

The conference was attended by the representatives of World Bank, International Monetary Fund, European Bank for Reconstruction and Development and European Investment Bank along with the investor from United States, Germany, Italy, Austria, Switzerland and France.

Since the November in the last year, KESH (Albanian Power Corporation) has imposed power cuts in whole country. Only hospitals, water supply stations, police and emergency services and embassies were excluded from every day power cuts. The problems in power supply emerged as the result of the severe drought, which seriously affected Albania's power system, which is almost 100 % consisted of hydro power plants.

According to the official information, Albania has spent about 14,4 million euros for the import of electrical energy in the last quarter in 2005th. In December 2005th, government has canceled the tender for the purchase of the electricity due to high offered prices by the bidder. However, KESH has signed direct contracts for the import of electricity with several companies that have participated in the tender.

Economists have estimated that electricity crises will reduce the projected economic growth from 6 % to %5.

§ § §

No drastic increases in electrical energy prices (Bosnia and Herzegovina)

Regulatory agency (RA) for electrical energy in Republic of Srpska entity in Bosnia and Herzegovina (BiH) announced that it would not allow drastic price increase in electrical energy prices.

According to the director RA, agency has been preparing new tariff system and decision on new prices should be brought until mid February. New prices would be applied from April 1st.

New tariff system was being prepared for more than a six months.

However, power bills will be higher starting from January due to introduction of VAT. Old value of VAT for electricity was 10 % and new value should be 17 %.

§ § §

55 million euros of EBRD's loan for the power utilities (Bosnia and Herzegovina)

The representatives of the Bosnia and Herzegovina (BiH) and entity's

55 million euros loan agreement with the European Bank for the Reconstruction and Development (EBRD).

The loan will be used for revitalization works in the power networks of three power utilities.

According to the finance minister of BiH, the loan has grace period of 4 years and payment period of 15 years.

Minister added that financial arrangement should be followed by the technical assistance for the implementation of the revitalization projects, which should speed up whole process. Minister believes that power utilities will be able to make the loan payments after grace period.

Out of 55 million euros, Power utility of Republic of Srpska (ERS) will get 17 million euros, and Power utility of BiH and Power utility of Herzegovina will get 19 million euros each. New investments should provide more reliable and more quality power supply, reconstruction of existing and construction of new low voltage power lines, new substations and reduction of the operational costs and power losses. The projects would be supported by the 100,000 euros granted by the Greek government that will provide technical assistance.

Director of EBRD said that loan was granted for the reconstruction of the power distribution network, which he called as the heart of the economy in any country.

EBRD has been trying to provide new funds for the revitalization of old and construction of new gas network and securing the alternative supply routes.

So far, EBRD has invested about 500 million euros in 43 projects in BiH, and since 1996th, EBRD has invested 130 million euros in energy sector alone in BiH.

§ § §

Uncertain destiny of the negotiations on Energopetrol (Bosnia and Herzegovina)

The Commission for the recapitalization of the Sarajevo oil company Energopetrol has sent the report the federal prime minister concerning the new circumstances related to the negotiations with the INA-MOL consortium.

Chairman of the Commission said that consortium did not accept the option for the court arbitrage regarding the additional financial obligations of Energopetrol. Consortium wants the federal government to solve the problems regarding the debts prior the conclusion of the privatization agreement.

Since commission does not have the authorities to make decisions and to solve the disputes between government and Energopetrol, the report was sent to the government.

The government should decide whether would solve the problems regarding the debts of the oil company, which could led to the continuation of negotiations, or to cancel the entire tender procedure and to notify the consortium, chairman of the federal Commission said.

The additional problem for the government is the fact that government will be able to hold regular session when two new ministers have been appointed.

On the other hand, INA-MOL consortium is still interested for the privatization of Energopetrol, but without any additional financial obligations.

The high official of INA said this commenting the recent decision of the federal parliament of Bosnia and Herzegovina (BiH), which has rejected the proposal for sale of 67% of the shares in Energopetrol to the INA-MOL.

Despite the decision of the parliament, federal prime minister said that government was willing to sign the agreement if INA-MOL consortium accept to pay about 9,5 million euros of additional debts, which are mainly related to the interests rates of some old debts of Energopetrol made during 2001st.

INA-MOL claims that those debts were not the part of the original tender.

§ § §

Alon has serious plans with oil refinery in Brod (Bosnia and Herzegovina).

Israeli oil company Alon has serious plans with the oil refinery in Brod, official representative of the Alon in Bosnia and Herzegovina (BiH) said.

Alon intends to establish the company able to provide oil products for BiH and for export as well.

The first round of negotiations between Alon and the government of Republic of Srpska (RS) entity have taken place already.

Government of RS has earlier reached the decision on establishment of joint venture with strategic partner in order to resolve the production problems in the refinery.

According to the representative of Alon, Israeli company would try to make some kind of pre-contract that would define future cooperation and later to sign the contract of establishment of joint venture. Alon should hire auditors that should present the clear picture of the state in the refinery, which should determine the amount of the investments.

Alon Israeli Oil Company is the member of Alon Group and it is the largest oil company in Israel, with over 1,700 petrol stations and owns the oil refinery. The company own oil terminals and pipelines in USA also.

§ § §

Negotiations on the extension of natural gas contract in Moscow (Bulgaria).

Bulgarian energy minister has met his Russian colleague, the minister of industry in Moscow in the beginning of February.

Russian side has offered the ten-year extension of the natural gas contract, which expires in 2010th, and usage of old tariff system for the transit of natural gas over Bulgarian territory. This was very important issue for the Bulgarian side.

Nevertheless, Russian minister said that Russia expected that barter agreement would not last in long-term period.

Two energy ministers have also discussed the fuel supply for the Bulgaria's nuclear plant Kozloduy.

According to proposal from the Russia, two national gas companies, Bulgargaz and Gazprom, should discuss on the increasing of the volume of transit of natural gas, the construction of the natural gas pipeline to Serbia and the increase of the capacity of the natural gas pipeline toward Greece.

Bulgaria and Russia should initiate the negotiations on the strategic partnership on the experts' level very soon, and Russian energy minister believes that Russia would propose the strategic partnership for the next 30 years.

Russia is also prepared to consider the construction of the gas pipeline through Bulgaria to Italy. The final decision on the Burgas-Alexandroupolis pipeline should be reached on March 2006th, after which interested

According to the announcements, Sibneft, the company owned by Gazprom, will be directly involved in the construction of the gas pipeline, and the main partners in this project should be TNK-British Petroleum and Lukoil.

Bulgaria has earlier established its own special interdepartmental teams that should investigate the natural gas projects, the Nabucco, Bourgas-Alexandroupolis and Bourgas-Vlore pipeline, the import of natural gas from Algeria and the expansion of the natural gas networks to Serbia and Italy.

According to the Bulgarian energy minister, the project Bourgas-Vlore would be difficult to achieve without participation and financial help from of one of the large states.

The meeting was arranged after the Russian state owned gas company Gazprom has sent, for the second time in the short period, the letter to the Bulgarian government regarding the changes in the long-term natural gas contract.

Bulgarian government has refused similar request of Gazprom in the end of December in the last year. The changes requested by Gazprom would have led to the higher price of natural gas delivered to Bulgaria.

Gazprom's second letter came after Bulgaria refused the proposal sent in the first letter, where Russian company insisted on market based principles in the natural gas trade and transit services.

In the same letter, Gazprom proposed the aforementioned meeting at ministers' level.

The contract signed in 1998th is based on the barter arrangement. Bulgaria imports natural gas from Russia and in return, it transits natural gas to the Turkey, Greece and Macedonia.

The barter has allowed the fixed price of natural gas for Bulgaria, which is considered as amongst the lowest in Europe.

The contract predicts that Bulgargaz pays to Gazprom 258 dollars per 1,000 cubic meters for the gas directly delivered to Bulgaria. However, additional contract allows Bulgaria to pay 83 dollars per 1,000 cubic meters, and in that way, Gazprom pays transit fees via Bulgarian natural gas network.

Bulgargaz manages 2,645 km long natural gas network, which has capacity 18,7 billion cubic meters. Annual transit of natural gas from Russia toward Turkey, Macedonia and Greece reached 15,5 billion cubic meters in the last year.

In December 2004th, Bulgargaz and Gazprom have signed the contract for the increase of the transit to Greece by 50 % until 2010th. In the last year, Bulgargaz has transited 2,4 billion cubic meters of gas to Greece, which was 9,7 % increase.

Bulgaria's minister also has met the head of the Russian state power company RAO ESS (Unified energy systems). RAO' chairman confirmed that Russian company was still interested for the privatization procedures in the Bulgarian energy sector, despite the unsuccessful participations in the privatization of thermal power plant Varna.

§ § §

Delays in the construction of the spent fuel storage facility in NPP Kozloduy (Bulgaria).

Executive director of nuclear power plant (NPP) Kozloduy said that construction of the temporary dry spent fuel storage facility on the site of NPP would be finished six months after planned deadline in 2009th.

German consortium RWE NUKEM Corp. and GNB has won the 48,7 million worth tender for the construction of the facility in May 2004th. The

facility will have capacity for storage of 2,800 spent fuel units for the period of 50 years.

The project, funded by European Commission and administered by European Bank for the Reconstruction and Development (EBRD), is the part of larger, 200 million worth project for the decommissioning of the units 1 and 2 in the NPP Kozloduy.

Director of NPP said that company might suffer business losses due to low electricity prices fixed by the Bulgaria's State Energy and Water Regulatory Commission. The exact deficit will be known after May this year, when financial report should be released. Kozloduy official said that business losses might disrupt the plans for the modernization of the NPP. The worth of the modernization works is 500 million euros and it should be finished by the end of 2006th.

§ § §

Bulgargaz should end restructuring by the end of 2006th. (Bulgaria)

Executive director of Bulgaria's monopoly Bulgargaz said that Bulgargaz would be restructured in Holdings Company consisted of 4 independent companies by the end of 2006th.

Bulgargaz is currently in charge for the import and supply, transmission, storage and transit of natural gas.

In order to fulfill the EU gas directives, Bulgargaz will be transformed in independent companies in charge for supplies, the management of the transmission network and storage facilities, the construction of new facilities and pipelines and the telecommunications business of the parent structure, respectively.

Two most important companies in new holding will be public company Bulgargaz that will be in charge for the supply of natural gas. i.e. purchase and sale of natural gas, and new company Bulgartransgaz that will be responsible for the transit of and storage of natural gas. Both companies will be 100 % owned by Bulgargaz holding, which will be state owned.

The name of the telecom division in new holding company will be Bulgargaztel.

The fourth company will be involved in the construction of the natural gas pipeline toward Serbia, Nabucco pipeline project and the construction of the gas pipeline toward Italy.

It is expected that energy ministry will approve proposed restructuring model very soon.

Bulgarian deputy economy minister said that new model would introduce liberalization in Bulgaria's natural gas market. He pointed out that there were no privatization plans for the future holding.

§ § §

Enel negotiating on buying the stake in Maritsa Iztok renewal project (Bulgaria)

Italian company Enel has been negotiating the purchase of a stake in Energiyna Kompaniya Maritsa Iztok 3, the company in charge for the renewal works in the thermal power plant (TPP) Maritsa Iztok 3.

The aforementioned stake is currently owned by US company Entergy. The negotiations were confirmed by Enel's PR agency in Bulgaria.

The Energiyna Kompaniya Maritsa Iztok 3 is co-owned by Dutch-registered Maritsa Iztok Power Holdings with 73% and Bulgaria's national power grid operator NEK. Enel owns 60% of Maritsa Iztok 3 Power Holdings; Entergy controls the rest of the shares.

According to the contract, Entergy will be allowed to step out from the project after end of the revitalization of unit 1 in TPP, which is expected to happen in March.

The end of renewal of unit 1 is two years behind original deadline and the blame was put on the contractor, the DSD company.

NEK's executive director has announced that Enel will replace the contractor in this project. NEK and Energiyna Kompaniya Maritsa Iztok 3 have signed the 15-year contract for the purchase of electrical energy from the revitalized TPP.

The worth of the renewal project, which should prolong operational life of the TPP by 15 years, is estimated at 600 million euros.

§ § §

Two bids for NPP Belene (Bulgaria)

Russian company Atomstroieksport and the Czech company Skoda Alliance have submitted bids for the design and construction of second nuclear power plant (NPP) in Bulgaria, the NPP Belene. NPP will be located on the Danube River, near town Belene, 250 km northeast from capital Sofia.

The results of the tender should be published by the August 1st. The worth of the project is estimated at 2 billion euros and both of the companies have submitted bids with three different project scenarios.

Both bidders have proposed to continue the construction with equipment already delivered at the plant's site. Skoda has proposed the construction of the turbine, while the Russians have offered the construction of a nuclear facility, apart from the turbine.

Skoda's officials said that they could provide complete funding of the project. Skoda Alliance announced that it could attract the BNP Paribas, Komerčni banka and Československá obchodní banka in the project. Atomstroieksport, on other hand, has proposed several funding options, but they have not been explained in detail.

The bid of Atomstroieksport has the option for not using the existing equipment and third option for the construction of turbine only. Similar options were presented by Skoda.

The tender commission will be led by the representative of NEK (National transmission operator), and it will be assisted by the consultants from Deloitte and Parsons. The commission should present its assessments to the board of directors of NEK, which should decide the winner on the tender.

According to Bulgaria's press, interesting thing is that, no matter who has win on the tender, it would be controlled in some extension by Russian Gazprom.

Gazprom's bank owns Skoda JS, one of the members in Skoda Alliance consortium. In the same time, Gazprom is the owner of 51 % of the shares in Atomstroieksport, whose partner in consortium will be French company Framatome as a subcontractor.

The bidder on tender needed to fulfill the condition of 5 billion euros of annual turnover and to have previous experience in the construction and commissioning of pressurized water reactors.

NPP will have two Russian-designed VVER reactors, 1,000 MW each. The units will be the same as the units 5 and 6 in NPP Kozloduy in Bulgaria and NPP Temelin in Czech Republic.

The first unit in NPP Belene should be operational in 2011th and second one in 2013th.

Atomic Energy Canada Ltd has earlier offered to deliver its two 700-megawatt CANDU heavy water reactors, but Bulgaria decided against that technology.

The construction of new NPP has a great significance for Bulgaria, the leading exporter in the region, due to planned decommissioning of two 440-megawatt Soviet type reactors in the NPP Kozloduy in December 2006. NPP Kozloduy currently produces 40 % of overall Bulgaria's electricity production.

According to Bulgaria's energy minister, construction of NPP Belene is a necessity for Bulgaria, having in mind forecasted energy needs of the country.

Minister said that construction of NPP Belene was more profitable for Bulgaria than the construction of two new units at the site of NPP Kozloduy.

However, Bulgaria could consider the construction of two units in Kozloduy in 2015th, minister said. Bulgarian government has still not decided on the ownership structure of the new NPP.

The Belene project was the first time launched in 1986th and it was abandoned in 1991st due to lack of funds and environmental reasons. Until that time, Bulgarian has spent over 1 billion dollars for the construction and purchase of 1,000 MW Skoda reactor.

§ § §

Parliament ratified Energy Community Treaty (Bulgaria)

Bulgarian parliament has ratified the Energy Community Treaty signed in Athens in October 2005th .

Treaty has established energy community between the European Union and South Eastern Europe.

The other signatories of the Treaty are Albania, Bosnia-Herzegovina, Croatia, Fyrom, Montenegro, Romania, Serbia and the UN Interim Administration in Kosovo, while the Austria, Greece, Hungary, Italy and Slovenia participate in a non-voting capacity.

§ § §

New natural gas well (Croatia)

In the end of January, in region of Molve, largest natural gas well in Croatia in the last ten years was put in operation.

The well is 3,333 meters deep, and estimated capacity is between 100,000 and 200,000 cubic meters of gas per day.

The well will be connected to the regional natural gas pipeline and to the central gas terminal Molve-East, from where the gas will be transported to the consumers.

The first well in the natural gas field Molve was put in operation in 1980th, but the majority of wells, mostly on the 3,000 to 4,000 meters under ground, have been opened in the last ten years.

The last commenced gas well is the 20th in the region of Molve, from where 70 % of the customers in Croatia have been supplied with the natural gas.

The 40 workers from the company Crosco (subsidiary of the Croatian oil industry-INA) have been working for almost two months and the works were finished before the planned deadline despite the extremely low temperatures.

According to Croatian experts, the gas reserves in Molve will be exploitable in the next 25 to 30 years.

Molve gas field is the largest gas field in Croatia, with annual production

The new well came in good time for Croatia due to reduced import from Russia (33 % lower import in that moment) and extremely cold weather. The natural gas consumption in that period was 500,000 cubic meters per hour.

About 470,000 customers or 1,5 million people in continental part of Croatia depends on natural gas.

INA covers about 60 % of the annual domestic gas consumption, i.e. 1,6 billion cubic meters out of 2,7 billion cubic meters, from domestic gas fields. The rest of 40 % (1,1 billion cubic meters or 130,000 cubic meters per hour) of the natural gas need has been imported from Russia.

75 % of the gas production in Croatia comes from the continental gas field and 25 % comes from the gas fields in the Adriatic Sea.

Croatian, experts believe that Croatia's natural gas production will cover entire domestic consumption in the nearest future.

§ § §

Liquefied gas terminal most likely on the island of Krk (Croatia)

Croatian prime minister said that Croatia would build terminal for the liquefied gas, most likely on the island of Krk, the largest island in Croatia.

PM asked for a support from the citizens and local authorities on this project, by pointing out the current difficult situation on the natural gas market in Europe and World.

Commenting the environmental protests, PM declared himself and Croatian authorities as the supporters of ecology, but energy independence of Croatia comes first, PM said.

PM said that terminal would not have any dangerous ecological effects and that all ecological demands and priorities would be respected.

The ALSCo consortium (Adria LNG Study Company) should construct the gas terminal. The consortium was founded by INA (Croatian oil industry), TOTAL from France, Austria's OMV Gas, German RWE Transgas and Geoplin from Slovenia. The capacity of the terminal should be 5 billion of cubic meters of gas in the first phase, where 10 % of the capacity would be used by Croatia.

The members of the ecological organizations warned on numerous incidents in the similar terminals in the World, with the large number of human casualties.

According to environmentalists, the potential site for the construction of terminal in port of Omisalj on island of Krk is too close to the dangerous chemicals and the 760,000 tons of oil in reservoirs used by Adriatic oil pipeline (Janaf); the distance is only one-mile instead of five miles.

Aforementioned claims were denied by the advisor of the chairman of the management of board of INA.

He said that INA has respected strict procedure for the selection of the construction site, which has included the environmental study.

In 1990th, INA has formed the consortium of ten companies from Central Europe. The consortium has been searching the suitable construction site in the Northern Adriatic.

The increased interest for the construction of gas terminal happened after the INA's partners signed the contracts with the Russia and Norway. In addition, EU insisted on maintaining the balance in the natural gas supply by establishing the new supply routes for the Caspian gas.

There are 10 liquefied gas terminals at the perimeter of European main-

INA's official said that contract for the construction of the terminal would be signed with the partners from Germany until the end of February.

INA's official said that 700 million euros needs to be provided for the construction of the terminal, and that transport of 4 billion cubic meters of gas per year would provide the minimum profitability level for new facility.

The main advantage of the gas terminals is their flexibility regarding the supply routes. The construction works should be finished until 2011, while Nabucco gas project would not be finished until 2015th, chief advisor said.

He added that Europe has gas terminals with 80 billion cubic meters of capacity, which should be doubled until 2010th. Because of that, INA want to be the part of new integration processes on natural gas market in Europe, advisor said.

§ § §

New power customers must install power circuit breakers. (Croatia)

According to General terms for electrical energy supply, all new electrical energy customers in Croatia will be obliged to install circuit breakers with limited power, so called limiters, while the existing customers will be obliged to do the same in the period of ten years.

The costs of the installation will be paid entirely by the Croatian power utility (HEP) and new terms will start to apply from April 1st this year.

The installation of limiters does not imply restrictions in power consumption, but it would be a control mechanism whether customers spend as much electricity as they paid for, Croatian industry minister said. About 400,000 customers out of 2 million customers in Croatia have power limiters in this moment.

General terms define the procedure for issuing the compliance for the connection on power grid for particular customers.

In addition, HEP should establish new system for the acquisition of disturbance data, interruption in power supply and monitoring of voltage quality until end of this year.

§ § §

Government signed contract with Merrill Lynch-RBA consortium (Croatia)

According to the information given by the Public relation office of Croatia's government, even in the last week in January, government has signed the contract with Merrill Lynch-RBA consortium, which will be the financial advisor in the second phase of the privatization procedure of INA (Croatian oil industry).

It is expected that consortium would present the final proposal on privatization model until mid March.

The only demand of the Croatian government is that minimum of 15 % of shares must be listed on the stock exchanges and another 7 % of shares in INA must be given to the current and former employees.

According to the Law for privatization of INA, minimum of 15 % of shares of INA must be sold on the public tender, where Croatian citizens have the priority over other competitors in the privatization process.

The Law has predicted that sale of the shares to the employees will be

Merrill Lynch – RBA should receive fixed payment of 5 million euros and variable payment depending on success of the privatization.

The worth of INA's shares is estimated between 135 and 270 million euros, and exact value will be known after the financial advisor finishes its work.

§ § §

German company invest in wind farms (Croatia)

German company EnerSys plans to invest 12 million euros for the construction of its second wind park in Croatia.

The construction of wind farm should start in the end of 2006th. The wind farm will be located near city of Sibenik and it will have power output of 10 MW.

EnerSys has already invested 13 million euros for the construction of the first wind farm also located in area near Sibenik, with 12 MW power output, which should be operational by the mid 2006th.

German company has signed 15 year contract with HEP (Croatian power utility), which will be obliged to purchase all electricity produced in both wind farms.

The first wind generator in Croatia was put in operation in island of Pag in February last year. The 5 MW generator was financed by Croatian company Adria Wind Power and the worth of the project was 6,4 million euros.

§ § §

EIB granted loan to DEPA (Greece)

The vice president of European Investment Bank (EIB) and DEPA's (Public gas company) CEO have signed two agreements in Athens in beginning of February.

The contracts are related to the funding of the construction of High-Pressure Transmission System between Greece and Turkey and the upgrade of the Liquefied Natural Gas Terminal at Revythousa. The worth of loans is 45 million euros.

This was the first cooperation between DEPA and EIB in the last 10 years, and EIB's vice president announced the continuation of cooperation. According to bank's officials, EIB has granted 2 billion euros worth loans in Greece in this year. In the last year, EIB has granted 895 million euros of loans in Greece.

The focus of EIB are the investments in energy sector, Public-Private Partnerships (PPPs) and the medium-sized enterprises (SMEs) funding local authorities.

§ § §

Spanish companies interested for the investments in energy sector (Greece)

Spanish foreign minister and a group of 15 businessmen have visited Greece during first week of February. Their host was Greece's minister of economy and finance, who pointed out that Spain has been one of Greece's closest trade partners and the biggest investors in energy sector.

The guests from Spain have expressed their interest for the investments in the energy, tourism, construction, banking and commercial sectors.

The part of Spanish delegation in charge for energy, was represented by

GESA, Gamesa and Iberdrola.

The Spanish companies have started to get interested in energy sector in Greece in 2000th. One of the largest investments projects from that period was the proposal of the Spanish Natural Gas to buy 35 % in the state-owned gas company DEPA. The project was subsequently cancelled.

Gamesa, one of the largest manufacturers of the wind generators in Europe, has acquired the licenses for the construction of about 240 MW in wind farms in Greece. The projects still need to solve some legal issue concerning the land problems in Greece.

The lack of the planning in the land-use in Greece almost forced Gamesa to cancel the projects in 2003rd.

Gamesa is looking forward to the strategic partnership with the PPC (Public Power Corporation).

In the last year, GESA company has expressed the interest for the construction of the wind generators and it has started the construction of the 35 MW wind farm near Patras. GESA, as the member of the consortium with the partners in Greece, has submitted several bids for the construction of the wind generators.

During 2004th, Iberdrola, the largest energy group in Spain, has bought 24 % of shares in Rokas, the largest company involved in construction of the wind farms in Greece.

Iberdrola tried to buy the shares in the construction company Themeliodomi, but the French power giant EDF was more successful in this business arrangement.

In this moment, Iberdrola owns 49,9 % in Rokas, which has 190 MW of power output in wind farms and it has license for the production of 230 MW in wind farms.

Iberdrola's CEO has informed the Greek development minister on Iberdrola's intention to invest 1 billion euros in Greece in the period of next three years. Iberdrola's officials have been informed about new legislation in renewable energy sources and the liberalization of natural gas market.

Iberdrola has also been negotiation with PPC on the construction of new wind generators.

§ § §

Possible cooperation of Iberdrola and Hellenic Petroleum (Greece)

Iberdrola's officials have denied the claims that Iberdrola wanted to buy the stake in the recently commenced gas fired power plant operated by Hellenic Petroleum (HP).

The financial daily papers Naftemporiki published the news about Iberdrola's intentions.

According to the information in the newspapers, Iberdrola also wants to submit joint bid with HP for the construction of the new power plants within the project of Greek government.

HP's officials did not want to comment the news about cooperation with Iberdrola, but HP's representative confirmed that officials of two companies had met in the beginning of February. According to him, two companies have discussed on different energy issues in the Mediterranean.

Almost immediately, after it has put the new plant in operation, HP has complained on the low price of electrical energy imposed by the PPC.

The low price, which HP has considered as the artificial and monopolistic, did not allow competition with the PPC and economical operation

was forced more than once to remain out of operation. However, HP has applied for a license for a second power plant near Athens.

The information regarding the cooperation of Iberdrola and HP would not be surprise, sources say, having in mind that, in the past, Spanish company has expressed the interest for the electrical energy production in large power units in Greece. On the other hand, HP has been constantly inviting partners for the investments in power production.

Sources say that Iberdrola and HP could submit the joint offer on the tender for the construction of 900 MW power plants (tender should be published in February), while the next level of cooperation would be Iberdrola's participation in 400 MW HP's power plant in Thessalonica.

If Iberdrola and HP reach the cooperation agreement, new important venture will be formed in Greece power market.

§ § §

Companies awaiting tender for the construction of power plants (Greece)

Several domestic and foreign companies have been preparing for the tender for the construction of three combine-cycle power plant, with power output of 300 MW each.

Tender for the power plants that will be located in Attica, Viotia and Corinth (the southern part of Greece), will be launched in the end February.

The preparations for the tender were finished in the beginning of February and the final form of the tender will be published by the Hellenic Power Transmission System Operator (HTSO) and the Regulatory Authority for Energy (RAE).

Foreign companies have been trying to find the local partners that own licenses for the production of electrical energy and license for the installation in the southern part of Greece in order to establish consortiums that will be allowed to participate on the tender.

The licensed companies are TERN, Kopelouzos, Mytilineos, Hellenic Technodomiki - Viohalco, Vardinoyiannis, Alamanis and Hellenic Petroleum (HP).

Alamanis group has facing a big cash-flow problem, while the HP has only production license and it has applied for the installation license in the January.

According to information, Vardinoyiannis and Kopelouzos groups are near to establish the consortiums.

The Vardinoyiannis group owns production and installation license for 395.9MW unit at Motor Oil's complex in Corinth.

On the other hand, Kopelouzos' joint venture with Italian ENEL, the ENELCO SA (50:50 % basis), owns the production and installation permit for a 390 MW unit in Viotia.

French EDF controls the consortium of Hellenic Technodomiki TEV with Italy's Edison, participation of which on the tender is almost certain according to information.

Iberdrola from Spain controls 49,9 % in the Greek company Rokas SA and Spaniards have initiated the negotiations with HP regarding the tender.

Iberdrola has also been negotiating with TERN, which owns the license for 547 MW unit in Viotia, and with the Mytilineos group, that has the license for 412 MW unit in the same area.

Some sources say that TERN and Mytilineos group have already found

Greece is expecting significant changes in its energy sector after establishment of new consortiums. Some of the aforementioned foreign companies are already involved in the renewable energy source (RES) market in Greece and those companies have been negotiating with PPC (Public Power Corporation) on cooperation in RES sector.

§ § §

METKA participates in PPC's tender for wind turbines (Greece)

METKA S.A. has announced the participation in the tender, published by PPC (Public Power Corporation) for the "Maintenance of one wind turbine (General Electric type LM 6000PC of the Aeolian Electric Station Linoperamaton for 12,500 working hours".

The worth of the project is 2,9 million euros.

§ § §

PPC demands 8 % increase in electricity prices (Greece)

PPC (Public Power Corporation) has demanded an increase in electricity tariffs of 8 %, that should take place in April 2006th at earliest.

According to the information, PPC's profit in fiscal 2005th will be 58 % lower than the year before.

PPC should also make decision on replacement projects for 1,400 MW in the nearest future.

The first tender for the new gas-fired power plant in Aliveri should be launched in March.

For fiscal year 2005th, Marfin analysts has estimated PPC's sales at 4,3 billion euros, which is increase of 5 %, EBITDA (earnings before interest, taxes, depreciation and amortization) of 917 million euros (decrease of 24 %) and net earnings of 175 million euros, which would be decrease of 41 %

§ § §

Bankers petroleum interested for oil exploration (Macedonia)

Macedonia's economy minister should meet the representatives of the British-Canadian oil company Bankers Petroleum, which have expressed the interest for the oil explorations in Macedonia.

The information was confirmed by the general manager of the company, who did not want to make further comments, and by the direct mediator in the negotiations, Macedonia's ambassador in London.

Bankers has informed the government about their intentions for the oil and gas exploration projects, which should be financed by company's own funds.

The company has been basing its intentions on the research projects from the 1970s.

The research projects have showed that estimated oil reserves are not sufficient for economical production, but experts believe that high prices of crude oil and today's modern and less-cost technologies for the oil exploration have motivated Bankers to start this project.

According to unofficial information, Bankers was acquainted with

obliged to carry out the tender procedure for the oil exploration if it was economically justified.

British-Canadian company has been involved in similar projects in the neighboring Albania, which implies that same experts and equipment could be employed in Macedonia.

In fact, well-informed sources think that Bankers' main reason for the investments in Macedonia is the possibility that their oil fields in Albania are linked with those in Macedonia. The planned oil production of Bankers in Albanian oil fields is 4,000 to 5,000 barrels a day.

According to Macedonia press, the Bankers has the exploration rights in the Texas, USA.

§ § §

Gama opposes the construction of gas network by Makpetrol (Macedonia)

Macedonian public gas company Gama has strongly opposed the idea that oil and gas company Makpetrol could be granted license for the construction of the gas network ring.

Gama should file the official request to the government regarding this issue. Two companies have a history of disputes over the management and ownership rights of the natural gas network.

Gama wants that all disputes and final decision regarding the ownership rights was resolved prior any decision for the construction of the gas network. Some sources even imply joint construction of Gama and Makpetrol.

In January, oil distributor Makpetrol has asked for the license for the construction of 6 km long gas ring in the center of capital Skopje. Ministry of economy confirmed that demand was submitted, but the officials did not want to comment it.

This was the second attempt in period of one year that Makpetrol demanded license for the additional construction works in the gas network, and government has refused the first request due to unclear ownership rights.

The worth of the proposed construction works is estimated at 3 to 4 million euros. The proposal came shortly after Macedonian court decided that Gama would be responsible for the management of the gas network instead of Makpetrol.

Experts believe that Makpetrol has launched its idea in the final phase of the legal dispute in order to increase its share in the gas network.

§ § §

Incomes from privatization of ESM go the state budget (Macedonia)

Government of Macedonia has obliged itself to transfer all incomes from privatization of ESM Distribucija (Power utility Distribution) to the monetary reserves, which would be used for the sustaining the stability of denar (Macedonia's currency) and keeping the inflation on low level.

This was predicted by the three-year stand-by arrangement signed with the Internationally Monetary Fund (IMF). The agreement was signed by the Macedonian prime minister, Central Bank governor, and finance minister.

Deputy director of IMF confirmed that Macedonia has agreed to transfer all privatization incomes to the monetary reserves that will be used for strengthening of monetary system and for the recapitalization of Central Bank in order to preserve the monetary independence.

This announcement has resolved the questions where the privatization incomes would be invested and it has denied the claims of the prime minister regarding the new investments projects.

§ § §

Lukoil started construction of its first petrol station (Macedonia)

In the presence of the prime minister of Macedonia, Russian company Lukoil has initiated construction works of its first petrol station in Macedonia in the beginning of February.

The Macedonian companies will carry out the construction works in this modern facility located in capital Skopje. The petrol station will have mini market, bar and car wash.

Lukoil and Macedonia's government have signed the cooperation agreement eight months ago. The agreement has predicted the construction of 40 petrol stations and the first one should be operational in three months. Four petrol stations should be built in nearest future also; two of them will be in Skopje.

General manager of Lukoil in Macedonia expects that 20 new petrol stations will be built in this year. He added that Lukoil's investments would be the best contribution to the Macedonia's future accession to EU, having in mind that Lukoil would provide high quality oil products in accordance to EU standards.

During the official ceremony, Lukoil's officials expressed their satisfaction with the cooperation with Macedonian government and local authorities in this project. Nevertheless, Lukoil's officials have complained on lack of initiative from the local authorities and the cadastral problems regarding large number of potential construction sites just a week before.

The worth of the Lukoil's investment will be 50 million euros and Russians intend to employ 600 new workers.

In this moment, private fuel retailer Makpetrol, which owns more than 100 petrol stations, controls about 70 % of oil market in Macedonia.

§ § §

Scanning of ESM finished (Macedonia)

The detailed examination of the ESM Distribucija (Power utility of Macedonia-Distribution) has finished in the beginning of February.

According to the tender conditions, the qualified bidders, RWE, E. ON, CEZ and ENEL have had the right to have a close look and to analyze financial assets of ESM.

Interested companies should submit their final bids for the purchase of 90 % of shares in ESM until March 1st. The special governmental commission should select a winner in the tender until end of the March.

Macedonian medias have reported that four companies were very satisfied with the situation in the Macedonian power company. The potential owners were only worried of low bill collection rate of 60-70 % and the latest protests against the sale of ESM organized by citizens' organizations.

The representatives of the interested companies have said that they were not satisfied with the legal documents, for which they said that they were too old and that new ones had not been presented to them.

The most important tender condition for the selection of the future owner will be the best-offered price. The future owner should also invest minimum of 42 million euros in the period of three years. In the first year of the ownership, the owner will be banned to dismiss any of employ-

From the very beginning, the privatization procedure of ESM has been conducting with strong protests coming from the opposition political parties and various citizens' organizations, which have been mostly concerned on new monopolistic owner and potential high increases in electricity prices.

The original intention of the Macedonian state was to sell entire former ESM, which has been restructured into four independent companies, the ESM-Distribucija, MEPSO (Transmission system operator), ELEM (Macedonian power plants) and thermal power plant Negotino. Government changed initial plans due to strong protests of the experts and public in Macedonia. However, the protests have not been avoided.

The destiny of the incomes from the privatization of ESM is still uncertain. The government officials said that funds will be invested for the infrastructure projects, while the IMF (International monetary fund), the important partner of the Macedonia's government, have sent the clear message that funds must be transferred to the state budget in order to maintain monetary stability in the Macedonia.

§ § §

ESM's bidders met with MEPSO and Regulatory commission (Macedonia)

The representatives of the qualified bidders have had a meeting with the Regulatory commission (RC) in order to acquire information regarding procedures for determination of electricity prices in Macedonia.

The representatives of RWE, CEZ, Enel and E. ON have had difficulties to understand certain regulations and they requested for an explanation of certain factors that influence the final price. They have also asked why electrical prices in Macedonia are amongst lowest in the region.

The RC's team has explained the rules and the methodology for the price calculation. Prior submission of final bids, four companies wanted to get all possible information regarding the potential rate of return if the price of electrical energy was increased.

They wanted to know which kind of their operational expenses would be recognized and incorporated in the price calculation.

The aforementioned meeting happened after urgent request by the bidders and it was seen as a lobbying for the higher electricity prices.

The bidders have also expressed their interest for the signing the long-term supply agreement with the MEPSO that is in charge for the supply of the household customers and industrial customers, which have not find the alternative supplier.

The signing of the long-term agreement has great importance for the interested companies, which want to define the conditions for the prices of transmission and distribution services. The companies have also demanded for the setting of new electricity prices as soon as possible.

§ § §

Protests against the sale of ESM continue (Macedonia)

The protest against the privatization of most valuable Macedonian company, the ESM Distribucija (Power utility of Macedonia Distribution), have continued in February.

After the series of protests and roadblocks in capital Skopje and several larger cities in January, leader in the protest, the citizens' organization "Voice for light", have acquired the support of 11 non-governmental organizations for the continuation of the protests.

The main demand of the protesters is the cancellation of the privatization process. They have also announced the large scale media campaign against the sale of ESM.

One of the incidents that could be connected with protests, is the explosion caused by hand grenade near the head office of ESM.

The citizens' organizations rejected the invitation from the government regarding the negotiations on the protests. They claim that no one from the government succeeded to explain to them exact reasons for the privatization of ESM during previous negotiations.

They pointed out that even many of highest Macedonia's officials were not aware that 11 small sized hydro power plants would also be sold on the tender.

Macedonian minister of economy insisted on continuation of negotiations with the citizens in order to explain all reasons for the privatization of the ESM.

In the same time, Macedonian parliament have discussed on new Law of public meetings. The proponents of the Law said that the Law would not restrict the citizens' rights to protest. On the other hand, opposition parties believe that authorities want to oppose the protesters by aforementioned law.

Macedonia's government has denied the claims of the largest opposition party that certain group of lobbyist from unnamed European country has paid 3 million euros to two high government's officials, who allegedly have promoted the unnamed the company in the privatization process.

§ § §

Strong action against the theft of electrical energy (Montenegro)

Management of Power utility of Montenegro (EPCG) believes that theft of electrical energy in the country reached critical level, which presents one of the biggest steals of the state property.

Problems regarding the every day's thefts and not allowing the access to the EPCG's employees to read the electrical meters, EPCG management has discussed with the representatives of the state attorney's office and representatives of court.

It was agreed that they would act in synchronism against the stealers, which would imply increased activities of the employees in the power distribution companies, higher efficiency of the prosecutors and rigorous court procedures.

EPCG announced increased control of the electrical installations and metering points and filing the lawsuits against the stealers.

The unpaid power bills will be directed to the courts, which should act immediately by blocking the accounts of the legal and physical persons.

National power company has filed over 1,000 lawsuits against the suspects, but due to missing data, long lasting court procedures and soft penalty policy, actions have had a minimal effect.

§ § §

Investors visit TPP Pljevlja and Coal Mine, tender deadline prolonged until April 27th (Montenegro)

After repeated tender procedure for the sale of the thermal power plant (TPP) Pljevlja and 31 % of the state-owned shares in the Coal mine Pljevlja, the representatives of the CEZ, Holdings of the Slovenian power plants (HSE) and US company Contour Global have make visits to those companies.

The visitors have been at the data room, on the surface coal mines in order to get acquainted with the potentials and resources of both companies.

Austrian Verbund, En plus group, Belon, PPC from Greece, also bought tender documentation and it is expected that Italian Enel will do the same.

Data room should be opened until February 20th, and until now, the representatives of CEZ have spent the most time in the data room, while the HSE did not have any special requests.

Czech power company CEZ has capital value of 5 billion euros and 3 billion euros of incomes.

HSE, with over 5,000 of employees, is one of the largest companies in Slovenia that owns several hydro and thermal power plants and nuclear power plant Krsko as well.

State of Montenegro is looking for a strategic partner, which will bring profit and make Pljevlja the clean city with strong industry.

According to the latest information, the deadline for the submission of the bids on the tender, which was originally scheduled for February 27th, has been extended until April 27th. The deadline was prolonged in order to enable participation of several more interested companies.

§ § §

KfW granted 2,5 million euros of loan for energy sector (Montenegro)

Government of Montenegro, representatives from German bank KfW and company Vodakom have signed the 10 million worth loan agreement.

The loan presents continuation of the cooperation between governments of Montenegro and Germany. Prior this agreement, two governments have signed 6 agreements with overall worth of 85 million euros.

According to Montenegro vice prime minister, aforementioned agreements have been a great help and incentives for the reforms in Montenegro. The latest loan, without interest rates, came in the moment when Montenegro started several strategic projects, vice PM said.

The loan will be used for the projects concerning water supply, regulation of wastewaters, energy sector and small sized enterprises.

3 million euros of the loan will be invested in projects in energy sector. 2,5 million euros will be invested for improving of energy efficiency in small and medium sized enterprises, while 500,000 euros will be used as a technical assistance for the education of the energy efficiency experts.

The main aim of the energy efficiency projects would be to reduce expenses for the electrical energy, which, in this moment, comprise 20 % of overall expenses in the enterprises. The reduction of losses should increase the competitiveness of the companies that will be included in the project.

Vice PM has announced signing of new agreement with German government after which overall investments would be over 100 million euros worth.

§ § §

Reduction in coal reserves in TPP Pljevlja (Montenegro)

Thermal power plant (TPP) Pljevlja should stop the regular production

additional coal supplies, even the regular maintenance works were scheduled for April 1st.
This was confirmed by the director of TPP.

Daily coal reserves are about 8,000 to 10,000 tons and daily consumption is about 5,000 tons of coal.
TPP has experienced several interruptions in the last year due to lack of coal. Power plant was put in operation on January 9th this year after ten-day standstill.

According to the energy balance of EPCG (Power utility of Montenegro), TPP Pljevlja should produce around 1 billion kWh in 2006th, for which 1,35 billion tons of coal will be needed.

§ § §

Rompetrol achieved 2,34 billion dollars of turnover in 2005th (Romania)

Romanian oil company Rompetrol has achieved the 2,34 billion dollars of turnover in 2005th, which was 45 % increase comparing to the last year.

The operational profit increased by 64 % and it reached 164 million dollars. Rompetrol's officials hope that this trend will continue in this year.

The good business outcome was the result of price hikes and high demand in the oil market, Rompetrol' CEO explained. He expects that high demand for oil and oil derivatives will be significant in 2006th as well.

The latest Rompetrol's takeover of French Dyneff should double the company's turnover in 2006th, company's CEO expects.

On the other hand, net profit of Rompetrol reached 80 million dollars in 2005th, which was 13 times higher comparing to 2004th.

In the same time, Rompetrol Rafinare, subsidiary of Rompetrol, has achieved 164 million dollars worth EBTIDA (Earnings before Interest Taxes Depreciation and Amortization). The subsidiary has reported turnover of 2,15 billion dollars, which was increase by 40 % comparing to the last year.

The company's officials have announced the 260 million dollars worth investments for the upgrade of the Petromidia refinery until 2007th. The processing capacity of the refinery should be increased from 3,8 million tons up to 5 million tons in the planned period.

Rompetrol group has employed the new Operation manager Andre Nanche, who worked in the British Petroleum and Chevron, according to a press release issued by the group.

New operation manager will have its office in Amsterdam and it will be responsible for the operational coordination of the business activities of whole group in 12 countries.

He will be member of TRG Administration Board, together with CEO Dinu Patriciu, vice chairman Phil Stephenson and Alex Bucsa, vice chairman in charge of financial operations.

§ § §

Cancellation of the privatization procedure of Romgaz (Romania)

Romania's government has decided to cancel the privatization process for the gas company Romgaz.

The original plans has foreseen the sale of at least of 51 % of the shares to the strategic partner.

Government decided that privatization and restructuring of the company would be performed in accordance to the recommendations of the consultant, which should be hired. The consultant will be obliged to present the strategy in six-month period after the signing the contract, government's spokesperson said.

The decision regarding the changes of the privatization strategy was approved in accordance to the memorandum submitted by the Ministry of commerce and trade.

The main conclusion in memorandum is that sale of the Romgaz to the strategic investor could be disadvantageous for the Romania.

§ § §

CEZ offers higher price for Electrica Oltenia (Romania)

Czech CEZ has announced that it would pay additional 15,5 million euros in the privatization of Romania's power distribution company Electrica Oltenia,
The CEZ offer is the result of the financial audit carried out after the privatization procedure.

The overall costs of the acquisition will rise at 166, 5 million euros, CEZ said in the statement.

The head of the CEZ Romania said that business results of the Electrica Oltenia were better than expected, which was the reason why CEZ had decided to pay additional funds.

Electrica Oltenia has achieved net profit of 46 million euros in 2004th, while in the year before, company achieved loss of 58 million euros.

§ § §

300 million euros for undersea power cable toward Turkey (Romania)

Officials of Romania's transmission system operator, Transelectrica, said that construction of undersea power cable between Romania and Turkey, at the ground of Black Sea, could be finished in 2009th.

The cable should be 400 km long, it will be placed 1 km above the sea surface at the deepest point, and it will have capacity of 600 MW.

The 300 million worth project has been carrying out by Transelectrica and Turkish counterpart TEIAS. Both companies should cover 50 % of the funding and the costs include the construction of conversion power units.

The funds will be provided by the state guarantees, European Union structural funds and bank loans.

New power cable will enable the export of electrical energy from Romania toward Turkey, which is expecting the increase in the electricity consumption, and Romania sees the opportunity for its power producers.

New cable should increase the operational stability of both power systems.

The final approval for the project should be reached in May this year.

§ § §

Construction of units 3 and 4 in NPP Cernavoda ends in 2014th (Romania)

The construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda in southeastern Romania should be finished in 2014th according to plans. Those two units should provide 40 % of the Romania's electrical energy needs.

Chairman of the National Commission on Controlling Nuclear Activities (CNCAN), said that Romania promotes the development of the nuclear power for peaceful applications. If the Romania's nuclear program was carried out successfully until 2012th, country would have high level of energy independence, chairman said. He also pointed out that Romania would look for strategic partnership in the project for construction of units 3 and 4 in NPP Cernavoda.

Until now, only unit 1 in NPP is operational. Unit 1, with 650 MW of power output, was put in operation in November 1996th.

This is the only NPP in Romania and the only CANDU reactor operating in Europe. The owner and operator is the Romanian nuclear state utility, Societatea Nationala Nuclearelectrica.

Cernavoda Unit 1 supplies more than 10% of Romania's electricity demand. In addition, Unit 1 supplies 60-80 Gcal annually for the heating of the town of Cernavoda.

Cernavoda unit 2 is currently under construction and about 86 % was complete at the end of 2005th. The work is lead by SNN's traditional partners, AECL Canada and Ansaldo Italy.

According to SNN's general manager, 50 % of unit 2 has reached operational stage. All main systems should be operational in April 2006th, when the complex testing would start.

In second half of 2006th, nuclear fuel will start to load, and unit 2 should be operational in first half of 2007th, general manager said. The worth of investment will reach 910 million euros.

In 2005, SNN has achieved record production in unit 1 in NPP Cernavoda's of 5,554,959 MWh, out of which 5,112,959 MWh has been delivered to the power system in Romania, reaching an average 10 % of the electricity output of Romania.

In July 2005th, NPP has entered the electricity market in July 2005th, offering the of 15 % of NPP's output.

In the same period, NPP has produced around 30,000 Gcal of thermal power delivered to the local consumers, which pay the lowest price for heating services in Romania.

Unit 1 has achieved the usage factor of 90,08 % in the last year, which is the best result in the unit's history.

According to general manager, NPP Cernavoda is among the best performing NPP's in the World in terms of usage factors.

Data presented by International Atomic Energy Agency in July 2005th showed that average power usage factor in NPP' in the World was 73.8 % and for PHWR CANDU-6 reactors, such as the one in Cernavoda, usage factor was 80 %.

The study for the construction of units 3 and 4 in the form of joint venture, which has been carried out by Deloitte&Touche, should be delivered in March this year.

One of the options for the construction will be financing the whole project with SNN's funds, without participation of foreign investors. SNN expect that the construction works could start in 2008th.

General manager pointed out that SNN's Pitesti Nuclear Fuel Plant, after the renewal works, has doubled production capacity. In the last year, the plant output exceeded 50,000 nuclear fuel elements where the quality of produced fuel in Romania had 0 % flaw rate reported constantly since 2001st.

§ § §

Worker's unions in EPS and government continue negotiations (Serbia)

Employees in EPS (Power utility of Serbia), EMS (Serbian transmission system operator) and Coal production companies have decided to suspend the strike activities until February 20th.

The unions have accepted the preliminary agreement offered by the government of Serbia, which predicted the fulfillment of the part of workers' demands.

The decision on temporarily suspension of the strike was reached partly due to extremely low temperatures and due to reduced import of natural gas from Hungary, where the continuation of the strike could have led to the reduction in power supply.

The strikers demanded the payment of the debts due to unpaid salaries for the years 2004th and 2005th and increase of the inadequate worth of the hourly wage.

The union has accepted the government's proposal for the payment of 7,2 million euros as a loan to the all employees in EPS and EMS in order to overcome current poor financial situation and to stimulate the workers. In this way, the part of the strikers demand has been achieved. The loans should be paid in the first three months of this year.

Union officials expect that final agreement for the payment of the rest of debts should be reached after the continuation of negotiations.

§ § §

The construction of the storage facility solution for the natural gas problems (Serbia)

Serbia's energy minister and general manager of the Serbian Public gas company Srbijagas said in the separate statements that construction of the underground natural gas storage facility in city of Banatski Dvor was necessity for Serbia.

General manager said that the storage facility could be included in the natural gas network of Serbia prior the next, 2006/2007th heating season. The storage of natural gas could help to overcome reduction in gas supplies that have occurred during this winter, general manager said.

The officials from Srbijagas said that underground storage facility in Banatski Dvor should be secluded from the public gas company in the next month. In this way, it would be easier to find the companies willing to invest in the continuation of the construction works, Srbijagas' officials believe.

The first phase of the construction has been nearly finished, where 15 million dollars needs to be invested in order to end the works.

The part of the construction works should be finished until July or August in this year after which 100 million cubic meters of gas will be inserted, for which 50 million dollars will be spent. The gas could be used during the next winter season in case of reduced gas import.

The finishing of the first phase of the construction works should enable storage of some 300 million cubic meters of gas, which is sufficient for one-month consumption in Serbia. In the second phase, another 80 mil-

lion dollars will be invested for the increase of the storage capacity at 800 million cubic meters.

Ministry of energy and mining considers the natural gas storage facility as a strategic investment for the Serbia, which should be in the state's hands. Ministry's officials pointed out that it necessary to attract foreign investors in this project, where no one of interested companies should be put in favor.

So far, Hungarian company MOL and Russian Gazprom have shown the interest for the cooperation in the project.

Ministry of energy and mining and Srbijagas, and NIS naftagas (company for exploration and production of crude oil, natural gas, ground water and geothermal energy) have earlier agreed that these two companies should make the plan for the urgent construction of the storage facility. The plan must be finished until March this year.

Officials from NIS-Naftags said that construction work might be finished in six months, while the Srbijagas pointed out that gas company would not be able to finance the construction from its own funds.

§ § §

Natural gas contract with MOL prolonged until the April 30th (Serbia)

The representatives of Srbijagas (Public gas company) and officials from the government of Serbia have signed the agreement with the MOL Gas Transmission.

The agreement, particularly amendment 7th, will regulate the transit of natural gas from Russia to Serbia for the period until April 30th 2006th.

Serbian officials have announced the preparation of new contract that should be harmonized with the EU regulations and Serbian laws.

Original contract between MOL and Serbian government was signed in 1998th.

According to the amendment 7th of the latest agreement, Srbijagas will not pay penalties in case of import of smaller amounts of natural gas than the contract ones.

MOL has insisted on the signing of new basic Contract for the transport of natural gas, because Hungarians believe that current contract does not reflect the actual conditions on the natural gas market in Europe as well the changes in the national and EU legislation.

Task groups should start the negotiations in order to prepare new contract before end of the April. It is expected that new contract will be applied from January 1st 2007th.

During the negotiations in Budapest, MOL's officials have expressed the interest for the investments in oil and gas sector in Serbia, especially for the project of the construction of storage facility for natural gas in Banatski Dvor and for the construction of the gas pipeline Nis-Dimitrovgrad.

According to the unofficial sources, MOL has been unsatisfied with the fact that some politicians in Serbia and officials of Srbijagas have spoken in favor of Jugorosgas, the Gazprom's subsidiary, in the project of the storage facility. This fact could even endanger the signing the new Contract for transport of natural gas, sources say.

On the other hand, officials from the Serbian government have denied claims that Jugorosgas was favored in the selection procedure for the construction of the gas pipeline. The constructor will be selected on the international tender, officials said.

The chairman of the Chamber of the commerce of Serbia said that, hav-

ing in mind that average price of electrical energy in Serbia is about 3,3 eurocents, it is understandable that industrial supplier have favorable position in the energy sector.

§ § §

Industrial suppliers still have privileged electricity prices (Serbia)

The new Energy law has abolished the monopolistic position of EPS (Power utility of Serbia) as the main electricity supplier for the large, i.e. industrial customers in Serbia.

Although new rules have enabled the industrial customers to buy electrical energy in a free market, neither one of the large companies decided to do so.

The obvious reason why industrial customers choose the EPS as power supplier is the price of electrical energy. The price for industrial customers is almost twice cheaper than the price paid by EPS for the electricity import during this winter season.

The second, but no less important motive of industrial customers for the contracts with EPS, is the fact that Serbian power company guarantees the security of supply for all customers, even in case of extremely high consumption and unfavorable weather conditions like during this winter season.

However, first changes in this field started to happen.

According to the latest agreement between the EPS and US Steel Serbia, US company will be obliged to pay 4 eurocents per each kWh of electrical energy spent over the quota, which is equal to the company's annual consumption in 2004th.

US Steel has paid 150,000 for the electrical energy spent in December 2005th. If the price of kWh had been at least equal to the average annual price of 3,3 eurocents, the power bill for US Steel would have been about 220,000 euros, and if the price had been equal to the import price of about 4 eurocents, US Steel would have paid about 300,000 euros.

Industrial customers pay between 2,35 and 2,75 eurocents per kWh, depending on their consumption during the low tariff and consumption of reactive energy.

Annual electrical energy consumption in Serbia is about 7,5 billion kWh. It is estimated that due to inadequate price of electricity for industrial customers, EPS is losing between 80 and 90 million euros per year.

According to the deputy general manager of EPS, EPS has paid 4,4 eurocents per kWh for import electrical energy during this winter. When the price of transmission losses was incorporated, the real and final price for the end customer reached 4,7 eurocents which made the losses of EPS even bigger, deputy said.

However, industrial customers in Serbia do not pay the additional costs for the transport of electrical energy that could reach 4 to 6 % of the original price.

Having in mind that average price of electrical energy in Serbia is about 3,3 eurocents, it is understandable that industrial supplier have favorable position in the energy sector.

According to the deputy, share of industrial customers' consumption in overall consumption in the country is between 27 and 28 %.

That is the reason why the management of EPS has sent the official request to its owner, i.e. the state of Serbia, that all industrial customers who spend more electrical energy than they spent in 2004th will be obliged to pay the surplus at the price equal to the import price of electricity

It is expected that every new increase of electricity prices in Serbia will certainly affect the prices for the industrial customers.

§ § §

EPS hires its own consultants (Serbia)

The recent decision of management of EPS (Power utility of Serbia) to hire its own consultants for the purposes of continuation of the restructuring of the company, has caused misunderstandings and disputes with the some members of the Serbian government.

The aforementioned members of the government have accused the management of EPS of unnecessary wasting of funds because EAR (European agency for the reconstruction) has already started the procedure for the selection of the advisor for the restructuring of electrical energy sector in Serbia.

In order to clarify whole situation, director of the Department for the strategy and investments in EPS has given the explanation claiming that two tender procedures are independent and not redundant.

According to him, EAR has launched the tender for the selection of the consultant for the "Restructuring of energy sector", while EPS has launched the tender for the advisor for "Procedures for improving the financial and investments performances of EPS".

EPS's tender is divided in two parts. The first one is referred to the restructuring of EPS in organizational and financial way.

The second part of the tender is related for improving the investments activities, i.e. attraction and selection of strategic partner for the continuation of construction of thermal power plant Kolubara B and attraction and selection of strategic partner for the reconstruction projects of combined-cycle thermal power plants.

Director pointed out that EAR's tender is related to the functional separation of basic activities in EPS, establishment of market and tariff system, i.e. institutionalizing the electrical energy trade.

Both tenders are necessary for EPS, where they do not overlap but they have logical touching points, director said.

§ § §

Gazprom takeover the Jugorosgas, announcement of new investments (Serbia)

Russian gas company Gazprom, the only natural gas supplier for Serbia, has become majority owner of the joint Russian –Serbian company Jugorosgas.

Gazprom has increased its capital stake in the Jugorosgas from 50 % o 75 % by paying 4,5 million euros. The rest of the company is owned by the NIS (Oil industry of Serbia).

Jugorosgas has founded in 1996th under interstate agreement signed by the Russian Federation and former Federal Republic of Yugoslavia. The takeover is the part of the Gazprom's plans for the future cooperation with Serbia, Gazprom's vice-president of management board said to the highest Serbian officials.

According to the company's press release, Gazprom's subsidiary Jugorosgas will continue priority projects for the construction of the underground gas storage facility in Banatski Dvor and construction of gas pipeline Nis –Dimitrovgrad. The worth of the construction of 100 km long pipeline is estimated at 60 million dollars.

Director of Jugorosgas said to the Belgrade weekly papers that Serbia would become the transit country for the natural gas from Russia in 2007th.

In that time, natural gas pipeline between Dupnica (Bulgaria) over Dimitrovgrad (Serbia) to Nis (Serbia) will be constructed and Serbia would be able to transit natural gas not only toward Balkan countries but also toward Western Europe. According to director, the part of the pipeline in Bulgaria would be built by the Gazprom's subsidiary also.

This pipeline would be the part of the Gazprom's project, prepared by the Gazprom's science institute, for the construction of regional pipelines for the Balkan countries: Serbia with Kosovo, Montenegro, Romania, Bulgaria, Bosnia and Herzegovina, Macedonia and Albania.

Director of Jugorosgas strongly denied claims presented by some Serbian officials that Serbia would launch tender procedures for the construction of the underground facility and natural gas pipeline.

He said that, at the meeting with Serbian prime minister, vice prime minister and president of Serbia, it was resolved that Gazprom will be main investor in aforementioned natural gas projects in Serbia.

According to the vice president of Gazprom, Russian gas company is willing to invest 2 billion euros in projects in Serbia. He also confirmed that Serbian government and Serbian president have strongly supported the idea for the investment of part of those funds in the projects Nis-Dimitrovgrad and Banatski Dvor.

According to some sources, second interested company for the project of Banatski Dvor, Hungarian MOL, could lose the interest for the project due to fact that Hungary could built another gas storage facility on its territory, with the financial support of EU funds.

Serbian president has given a clear message to the MOL that they will not be welcomed in project for gas storage facility. President said that owner of the future storage facility should be joint company Jugorosgas.

The certain confusion on gas issues in Serbia was made by the statement of advisor in Serbian government, which was quite different from the statements of other Serbian officials, that tender for the gas projects in Serbia would be launched and that all interested companies would have equal treatment.

§ § §

Record production of EPS, 12 million euros of savings (Serbia)

EPS (Power utility of Serbia) has informed public that, despite cold weather in February, has decided not to import planed amount of 268 million kWh due to high reserves in accumulation lakes and at coal depots.

According to EPS, in that way, company has managed to save about 12 million euros. In the beginning of February, EPS has achieved highest ever production of 145 million kWh.

In January, EPS has achieved power production of 4,1 billion kWh, which is 4 % higher comparing to the last year.

§ § §

Continuation of restructuring of NIS (Serbia)

According to the business plan of NIS (Serbian oil industry), the restructuring process in the company should be finished until mid 2006th.

NIS –Petrol, the largest company in joint stock company NIS, is comprised of Oil refinery Pancevo, Oil refinery Novi Sad, Jugopetrol and Nafagas promet.

During the second phase of the restructuring, divisions in the company that are involved in similar activities would be integrated in one sector for process of refinement and another sector for transport of oil and oil derivatives.

The restructuring process is aimed to establish more efficient organization and management in NIS and the process should create more favorable environment for initiating the privatization in NIS, company's management believes.

Management of NIS has appointed new director of Oil refinery Pancevo. According to the information from Serbian press, former director was deposed by chairman of the management board of NIS.

Former director did not want to comment the reason of its dismissal, but it is known that he had different ideas for privatization of NIS and Oil refinery Pancevo than the ideas promoted by management board of NIS. He also was not satisfied with the level of investments intended for the modernization of refinery in Pancevo.

In its latest press release, NIS has informed public that 20,000 tons of fuel oil was exported to buyers in Austria, Bosnia and Herzegovina, Croatia, Slovenia and Macedonia.

NIS officials said that same level of export should be continued during the February, which would not endanger the fuel oil supply in Serbia because NIS has sufficient reserves of fuel oil.

According to the latest information, the representatives of Merrill Lynch and Raiffeisen Investment, which were selected as the privatization advisors for NIS, have visited the NIS highest officials for the first time in mid February.

According to NIS's press release, management of the company has informed the privatization advisor on potential and current position of the company in the country and region.

The meeting was attended by the chairman of the management board of NIS, the representative of Merrill Lynch, officials from ministry of energy and mining of Serbia, and the representatives from Privatization agency and workers' unions in NIS.

Tenders:

Electricity

Company / organization:	KESH, related Albania												
Purchase of energy													
Content:	Albanian Power Corporation with a fund of 49,484,000 euro put at its disposal by its found requests to realize purchasing of 1436 GWh electrical energy for the period April 01, 2006 until December 31,2006, divided in Lots as follows: <table border="1"> <thead> <tr> <th></th> <th>Quantity (GWh)</th> <th>Limit Fund (Euro)</th> </tr> </thead> <tbody> <tr> <td>Lot I: Period 01.04.2006-30.06.2006</td> <td>332</td> <td>10,292,000</td> </tr> <tr> <td>Lot II: Period 01.07.2006-30.09.2006</td> <td>552</td> <td>18,436,800</td> </tr> <tr> <td>Lot III:Period 01.10.2006-31.12.2006</td> <td>552</td> <td>20,755,200</td> </tr> </tbody> </table>		Quantity (GWh)	Limit Fund (Euro)	Lot I: Period 01.04.2006-30.06.2006	332	10,292,000	Lot II: Period 01.07.2006-30.09.2006	552	18,436,800	Lot III:Period 01.10.2006-31.12.2006	552	20,755,200
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Lot II: Period 01.07.2006-30.09.2006	552	18,436,800											
Lot III:Period 01.10.2006-31.12.2006	552	20,755,200											
Deadline:	February 27,2006; 12:00hrs , local time												
Contact:	Albanian Power Corporation KESH sh.a. Blloku "Vasil Shanto",Tirana-Albania, Directory of Procurement, Tel, Fax: +355 4 241 982												

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Romania
Supply of control systems	
Content:	Regia Autonoma de Distributie a Energiei Termice (RADET) Bucuresti hereinafter referred to as the Purchaser, intends using part of the proceeds of a Grant from the Swiss State Secretariat for Economic Affairs (SECO) managed by the European Bank for Reconstruction and Development (the Bank) towards the cost of Bucharest Multi Sector Project. The Purchaser now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the Grant: Control Systems consisting of: digital control systems, control panels, self operated differential pressure regulators with flow limitation, electrically driven two way control valves for domestic hot water and secondary space heating circuit, sensors, software, spare parts and accessories. The control systems will perform for 456 substations. Associated services, including design, technical assistance, adjustment and commissioning, connection works, technical manuals, training. The installation of the Goods will be carried out under separate 11 Contracts of Supply and Installation and is not the subject of this tender. The Goods shall be delivered within period of 18 months. The delivery of the Goods will be split into two 6 months phases. It is expected that the delivery starts in 2006. Tendering for contracts to be financed with the proceeds of a Swiss Grant shall be in accordance with the Bank's Procurement Policies and Rules with the provision that participation is restricted to companies and firms that are entered in the commercial register in Switzerland.
Deadline:	28 February 2006 at 12:00, Bucharest time
Contact:	Mrs. Adriana Stolojan Tel: +40- 21-322.92.94 Fax:+40-21-322.92.94 adriana.stolojan@radet.ro

Company / organization:	EPS, Serbia
Call for offers for consulting services regarding restructuring of the EPS power utility	
Content:	Study shall contain the analyses, opinion and recommendations regarding: - possibilities for decreasing the costs and increasing the profit, - improving the organization and administrative functions and other services, - improving the strategy for investments and management with the investments, - possibilities for entrance of foreign capital. The study shall acquire and grade the influence of the formerly recommended measures for future total costs of EPS and its position at the Southeast Europe Regional Electricity market.
Deadline:	Job completion shall be with the end of 2006.
Contact:	Mr. Aleksandar Jakovljevic, tel: +381 11 3972 994, e-mail: aleksandar.jakovljevic@eps.co.yu JP "Elektroprivreda Srbije", 11000 Beograd, Vojvode Stepe No.412. – Direction for Strategy and Investments

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
Power Transmission - Goods, works, services	
Content:	Natsionalna Električeska Kompania (NEK) intends using the proceeds of a loan from the European Bank for Reconstruction and Development [the Bank] for a project to rehabilitate its transmission network, including development of their MIS system, construction of a HV line, reconstruction and extension of a 400 kV s/st, modernisation of SCADA/EMS systems and providing of metering, testing and data processing systems. The proposed project, which has a total estimated cost of EUR 20 million equivalent, will require the procurement of the following goods, works and services: A.2.2. Construction of HV line 400 kV Zlatitsa -Plovdiv, and Re-routing of existing 110 kV Lines. Tendering for the above contracts is expected to begin in the fourth quarter 2005. The Bank financed packages will be procured as single-point responsibility supply-and-install contracts with fixed price). Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.
Deadline:	24 November 2006 at 23:00, Sofia time
Contact:	Lubomir Velkov – Head of Investment division Tel: +359 2 987 9154 Fax: +359 2 986 12 88

Company / organization:	EPS, related Serbia
Installation Works On Substations X/10kv	
Content:	PRIOR NOTICE on the intention to initiate a restricted procedure for the public procurement of electric assembly works on x/10kV transformer stations for the needs of the maintenance and reconstruction of electric power facilities situated in the ELEKTRODISTRIBUCIJA - BEOGRAD d.o.o. zone of operation for a period of three years (2006/2008).
Deadline:	The total dinar value of the planned procurement is 600,000,000 dinars.
Contact:	Milos Hadzic, Tel: +381 11 3471-572

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bosnia And Herzegovina
Power Distribution Reconstruction Project - Goods, works, services, consultancy	
Content:	The proposed project has a total estimated cost of Euro 52 million, proposed to be financed by the EBRD, and will require the procurement of the following goods, works and services for: (a) Goods and related Services for purchasing of metering equipment for residential consumption and Low and Medium Voltage substations, Low and Medium Voltage transformers, cables and auxiliary equipment for Low and Medium Voltage lines, machinery and equipment for the installation of the aforementioned items; (b) Works for the installation of the aforementioned items; (c) Consulting services to support the three Project Implementation Units established by the three power utilities
Deadline:	10 Nov 2006 at 23:00, Zagreb time
Contact:	Mr. Nedeljko Despotovic, PIU Director Tel: +387 33 751 030 , Fax: +387 33 751 033 Mobile: +387 61 227 208 Email: n.despotovic@elektroprivreda.ba

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Serbia
Electric Power Industry of Serbia - Supply and Installation of plant and Equipment	
Download:	http://www.ebrd.com/oppo/procure/opps/
Content:	EPS has applied for an EBRD loan for the realization of the following parts of the new lignite mining system: New Bucket Wheel Excavator, New Belt Conveyor system (co-financed by KfW), New shifting devices. EPS has further applied for KfW loans for the following parts of the new system: Parts of the new belt conveyor system, New power supply system, Spreader integrating new and available parts. Tendering and contract realization for the above goods and services will be carried out during the period from the first quarter of 2005 until the end of 2007.
Deadline:	23 Mar 2006 at 23:00, Belgrade time
Contact:	Mr. Slobodan Mitrović or Mr. Aleksandar Gajić, ELEKTRO-PRIVREDA SRBIJE, Vojvode Stepe 412, 11000 Beograd, Serbia and Montenegro, Tel. + 381-11-397-1926, Fax: + 391-11-397-1923, e-mail: slobodan.mitrovic@dpu.eps.co.yu or aleksandar.gajic@dpu.eps.co.yu

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
Maritsa East II Supply and Installation of Plant and Equipment	
Download:	http://www.ebrd.com/oppo/procure/opps/
Content:	The contract to be funded will comprise the delivery, installation, testing and commissioning of Flue Gas Desulphurisation (FGD) plants for Units 5 & 6 at Maritsa East 2 TPP. The FGD plants are intended to be based on wet limestone technology and to include: absorber plant(s), flue gas system(s), including discharge to atmosphere, limestone supply and processing, gypsum management and processing, process water supply, waste water discharge, electrical, instrumentation and control, civil works, buildings and infrastructure...
Deadline:	3 Mar 2006 at 24:00, Kovachevo time
Contact:	Mr. Atanas Dimitrov, Executive Director, Maritsa East 2 TPP-EAD, 6265 Kovacvhevo, Stara Zagora distr. Bulgaria Fax : + 359 42 662 000 Email: tec2@tpp2.com, ISPA and the Government of Bulgaria have published a Works Contract Forecast for this Project.

Company / organization:	EBRD, related Kozloduy Nuclear Power Plant Bulgaria
Content:	This project is to support the policy of Supply Division of KEK (the Kosovo Power Utility) aiming at improving the revenue collection. The scope of the project consists of four Lots and includes the following: supply and installation of hand held units and docking stations as well as the software; supply of IT infrastructure for hand-held units (computers, printers, servers, and plotters); supply and installation of the Geographic Information System platform; supply of vehicles, and training for KEK staff. The equipment and services in this project will be used to plan commercial activities and improve payment control in the Sales Department/Supply Division of KEK.
Deadline:	1 Aug 2006 at 24:00, Kozloduy time
Contact:	Mr. Michel Levy, KPMU Commercial Manager Kozloduy Nuclear Power Plant Kozloduy Bulgaria Fax. + 359 973 74508 e-mail: kpmu@npp.cit.bg With a copy to: Mr. Georgi Kirkov Head of Trade Division Kozloduy Nuclear Power Plant Kozloduy Bulgaria Fax. + 359 973 76008 e-mail: KIRKOV@npp.cit.bg

Company / organization:	EBRD, related Romania
Romania - CFR Traction Energy Network Management Project	
Content:	CFR SA and its subsidiary CFR Electrificare have applied for a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 27 million equivalent (EUR 22.5 m from the Bank and EUR 4.5m in VAT and other taxes), will require the procurement of the following goods, works and services; Supply and installation of equipment sets consisting of traction substations, switching equipment, railway station distance control equipment, and central dispatching equipment and communication facilities; Supply of catenary maintenance vehicles; and Consultancy services for contract supervision. Tendering for the above contracts is expected to begin in the first quarter of 2006. Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.
Deadline:	22 Jul 2006
Contact:	Mr. Tiberiu Angelescu, Director of Foreign Financing Directorate, Compania Nationala de Cai Ferate CFR – SA, 38, Dinicu Golescu Blvd., 3rd floor, room no. 26, 010873 Bucharest 1, Romania, Tel.: +40 21 224 84 06, Fax: +40 21 222 14 45

Company / organization:	EAR, related Romania
Construction of the over head line 400 KV single circuit Arad-Nadab Location - Romania	
Content:	The project aims to provide technical assistance for supporting Transelectrica –Romanian Power Grid Company, in reviewing and finalizing the tender dossier, tendering and contracting process, and supervising the implementation of construction works for the Arad-Nadab high voltage overhead line. The Consultant will provide assistance for the supervision of the performance of the works contractor, acting as 'Engineer' as defined in the FIDIC Condition of Contracts. Maximum budget 450.000 euro
Deadline:	Deadline: 27 February 2006, 12:00 local time
Contact:	Contact: Contact person: Mădălin Pascu – Project Officer Tel: 0040 21 326 55 55 Fax: 0040 21 326 87 30 / 326 87 09

Company / organization:	EAR, related Serbia
Ash Disposal System – Nikola Tesla B Thermal Power Plant	
Content:	EAR is seeking a new ash disposal system for the Electric Power Serbia (EPS – Contracting Authority) owned Nikola Tesla B Power Station, a 2 x 620MW lignite fired power station located in the town of Obrenovac, Serbia. Obrenovac is located alongside the River Sava, some 50km upstream from Belgrade. At present the furnace bottom ash is removed mechanically by a de-asher which is filled with water as a seal to the furnace. Further transport is by belt conveyor. The fly ash from the precipitators, air pre-heater hoppers and boiler economiser hoppers is collected and conveyed via pneumatic flow channels. At the end of the precipitator house these ashes are mixed together and flushed with additional water to the ash slurry sump. From there the water ash mixture of ratio nominally 10:1 is pumped via a pipeline to the ash disposal site, which is located approximately 4.5km away from the power plant, for final disposal. Three pipelines are installed in order to provide 1 stand-by line for use in the event of a temporary blockage. The existing de-ashing system at Nikola Tesla B power plant has been in operation since the commissioning of the plant and handles, on average, about 2.1Mt/year of which approximately 7% is furnace bottom ash. Tenderers are requested to propose the design, supply, installation, commissioning, testing and setting to work of a new ash handling and disposal system for Nikola Tesla B Power Station. The works comprises of replacing the existing thin slurry 10:1 ash disposal system with a thick slurry 1:1 hydraulic transport scheme.
Deadline:	4 April 2006, at 15:00h CET
Contact:	The European Agency for Reconstruction (EAR) Procurement Officer Vasina 2-4, 11000 Belgrade Serbia and Montenegro Fax: +381 11 30 23 466

Company / organization:	EAR, related Bulgaria
Development and implementation of a multifunctional corporate geographic information system of the Bulgarian high voltage transmission networks with Implemented EU standard ETRF '89 and European Geostationary Navigation Overlay System (EGNOS)	
Content:	Development and implementation of a multifunctional corporate geographic information system (GIS) for the Bulgarian high-voltage (HV) transmission networks in line with the ETRF '89 and EGNOS standards. The project should be implemented in four stages: 1) development of a GIS preliminary design on the basis of the HV Bulgarian networks; 2) development of the full functionality of the GIS system; 3) Integration of the GIS with the Bulgarian corporate information system and geodetic measurement data; 4) training of the personnel. Maximum budget: EUR 800 000
Deadline:	15 March 2006, 16.00 local time
Contact:	Central Finance and Contracts Unit (CFCU) at the Ministry of Finance, Sofia, Bulgaria

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Serbia
Emergency Power Sector Reconstruction Project Measuring Equipment for Electricity Distribution Companies	
Content:	<p>Electric Power Industry of Serbia (EPS) hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Electro distribution Companies of Serbia.</p> <p>The Purchaser now invites sealed tenders from eligible Tenderers for the following contracts to be funded from part of the proceeds of the loan:</p> <p>Measuring Equipment for Electro distribution Companies</p> <p>Tenders are invited for one or more lots. Each lot must be priced separately. Tenders for more than one lot may offer discounts and such discounts will be considered in the comparison of tenders.</p> <p>The Goods to be delivered in accordance with the Contract include, but are not limited to the following:</p> <p>a) Supply of calibrated meters with instruction manuals b) Technical documentation c) Installed software programming instructions and tools d) Staff training for software utilisation and meter connection</p>
Deadline:	28 April 2006 at 10:00, local time
Contact:	Mr. Nikola Rakić Tel: 381 11 361 1251 Fax: 381 11 688 835

Company / organization:	HEP, related Croatia
supply of Steam Coal	
Content:	Steam Coal in the quantity of approx. 195.000 metric tons
Contact:	<p>Hrvatska elektroprivreda d.d. Mr. Dalibor Blazevic fax 00385-1-6171-296 e- mail: dalibor.blazevic@hep.hr</p> <p>RWE Power AG Mr. Stefan Egyptien fax 0049-201-12-22010 e- mail: stefan.egyptien@rwe.com</p>

Company / organization:	EAR, related Croatia
INDIVIDUAL SUPPLY CONTRACT FORECAST: Assessment of wind and solar energy resource in a pilot Croatian region	
Content:	<p>The subject of the contract is the delivery, installation and putting into service, by the Contractor of the equipment needed to provide a measurement of wind speed and direction, air pressure, air temperature profile and solar radiation at 10 exposed sites in Dalmatia region and solar radiation components, solar radiation on a tilted plane, accumulated solar radiation, precipitation and humidity at a selected location in Split. The following goods are expected to be supplied:</p> <p>Measurement towers, Meteorological instruments, Wind measurement instruments, Ultrasonic wind measurement instruments, Solar radiation measurement instruments, Dataloggers, Communication equipment, Power equipment, Cables, GIS Software, CAD integrated GIS software, Digital spatial data, Meteorological modelling software, Solar energy modelling software, CFD based wind flow simulator, Integrated wind farm design and optimisation software, Computer equipment, GPS Equipment.</p>
Deadline:	Intended timing of publication March 2006

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Romania
National Power Transmission Company - Erection of 400 kV NADAB Substation	
Content:	<p>The National Power Grid Company COMPANIA NATIONALA DE TRANSPORT AL ENERGIEI ELECTRICE "TRANSELECTRICA" S.A., hereinafter referred to as the Employer, has received a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of a Programme for the interconnection of the Romanian and the Hungarian high-voltage power grid (400 kV Overhead Transmission Line Oradea – Nadab – Bekescsaba and erection of 400 kV Nadab Interconnection Substation).</p> <p>The Employer now invites sealed tenders from contractors (firms or joint ventures) for the following contract to be funded from part of the proceeds of the loan: Erection of 400 kV NADAB Substation</p> <p>Contract for the design, manufacture and supply of electrical, instrumentation and control equipment as well as related works and services as required for the erection and commissioning of a new 400 kV substation at Nadab. The project is a "green field" project, consisting of a triangle single line diagram to which three OHLs bays will be connected: Arad, Oradea and Bekescsaba (Hungary). The substation will be totally remote controlled from the Regional and National Dispatching Center and operated without personnel. Access to the substation site is achievable from Nadab – Cinteț DJ 792 in the north-west part of the country, near Chisinau – Cris town.</p>
Deadline:	31 Mar 2006 at 12:30, Bucharest time
Contact:	Mr Ovidiu Murasan- Commercial Department; Phone: +40 21 3035986 Fax : +40 21 3035980 e-mail: omurasan@transelectrica.ro

Company / organization:	INA, related Croatia
RELIF VALVES (SN-42/06, INA Specification no. 2000/092)	
Deadline:	Deadline : 24th February, 2006., until 13,00 hours
Contact:	Contact: Procurement Sector, Avenija Većeslava Holjevca 10, 2nd floor, 10002 Zagreb, (Mrs. Ljubica Šupe, tel: +385-1- 64 51 007, fax +385 (0)1 64 52 048) every working day from 12 to 14 p.m., local time.