

April (2) 2006 issue of Balkan Energy NEWS, with limited data

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Tenders: (Electricity, Nuclear, Oil and gas, Wind)

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Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey

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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The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

Year	Sum	1	2	3	4
Annual electricity consumption in GWh					
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
Bosnia and Herzegovina					
2008	3450	3079	2960	2637	2637
2009	3272	3071	3196	2636	2636
2010	31954	3486	3052	3021	2443
2011	33452	3475	3107	3087	2577
Bulgaria					
2008	17842	1680	1543	1570	1499
2009	17507	1625	1530	1551	1323
2010	15369	1536	1568	1423	1356
2011	15369	1536	1568	1423	1356
Croatia					
2007	6553	651	777	664	664
2008	6553	651	777	664	664
2009	6553	651	777	664	664
2010	6553	651	777	664	664
2011	6553	651	777	664	664
Romania					
2009	50636	4736	4268	4473	3803
2010	53365	4874	4472	4727	4111

Country Reports on Energy Business in South Eastern Europe

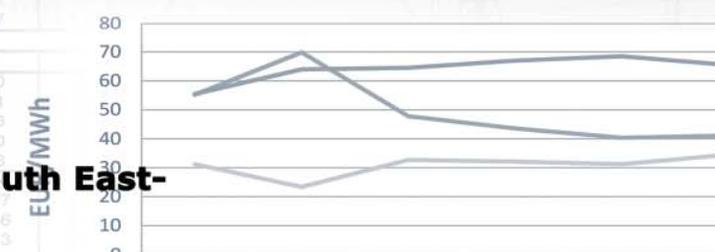
Country reports provide detailed overview of energy sector:

- 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

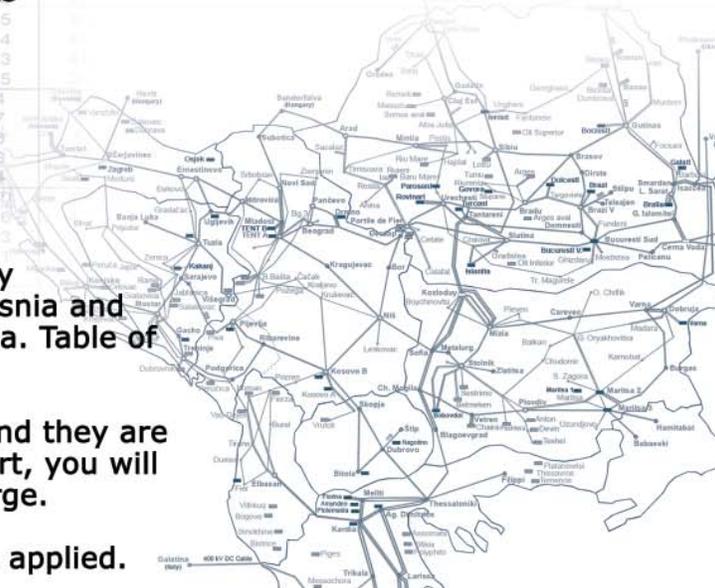
At the moment we have available up-to-date country reports for Bulgaria, Romania, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia and FYR Macedonia. Table of content is available on our website

Price of individual reports is 490 EUR per country, and they are updated every three months. For each ordered report, you will receive updates during one year period, free of charge.

For ordering all of the reports, 20% discount will be applied.



Year	1	2	3	4	5
2012 Price	55.23	69.87	47.81	43.6	40.39
T Deviation	1.2	-6.6	2.7	2.1	1.2
Drubne level	25.5	34	34.5	37	38.5

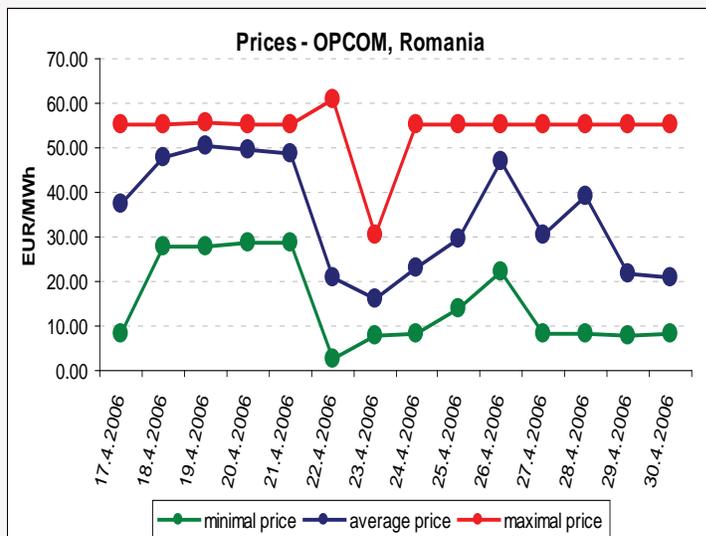
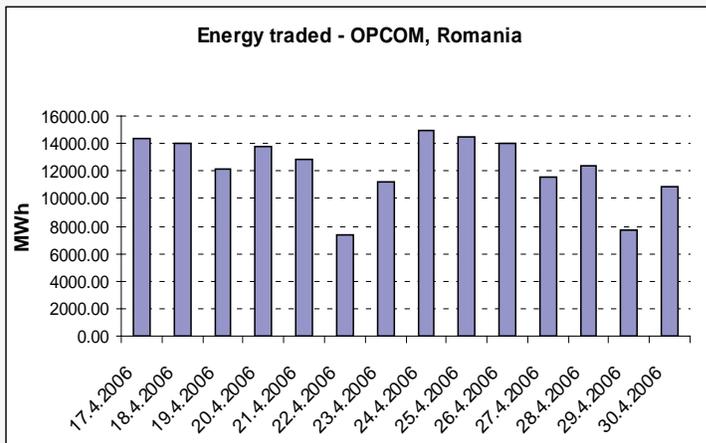
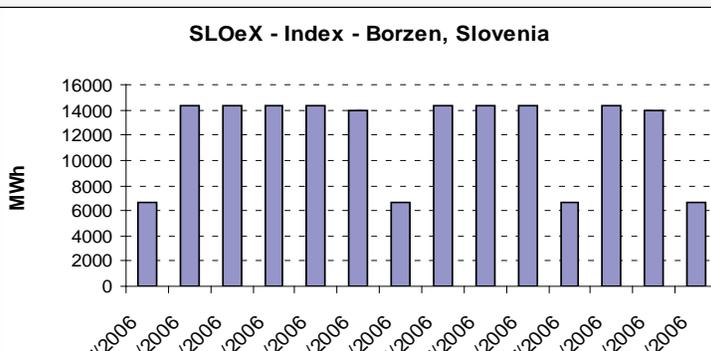
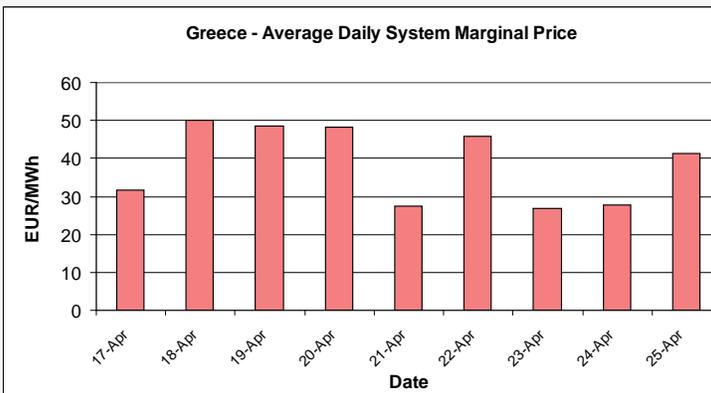
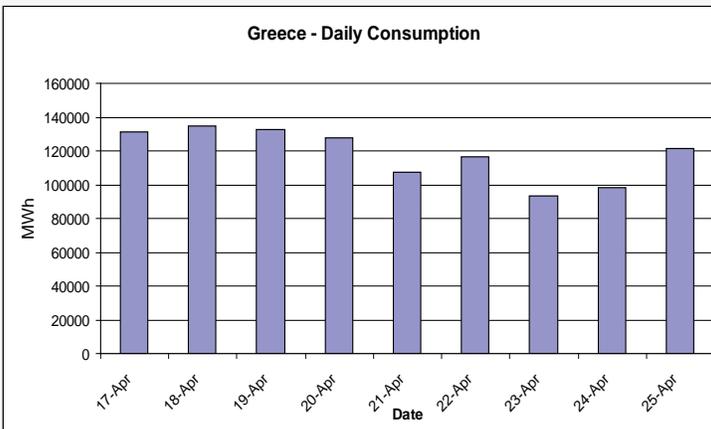
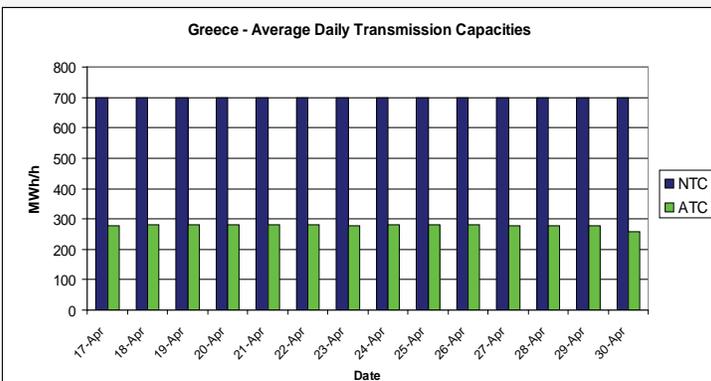


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Power exchanges data:



Analysis: analysis.news@balkanenergy.com

Review of Power Sector in Greece

This is short intro-sample of the full report "Analysis of Power Sector in Greece" created by SEE Energy Assessment. Full report contains 23 pages. For more info about full report visit www.seeea.net

Greece

Area: 131,940 sq. km.

Population: 10.6 mil

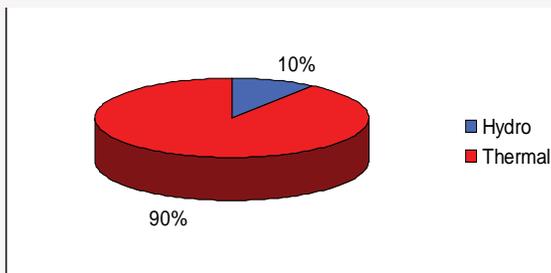
Currency: EUR

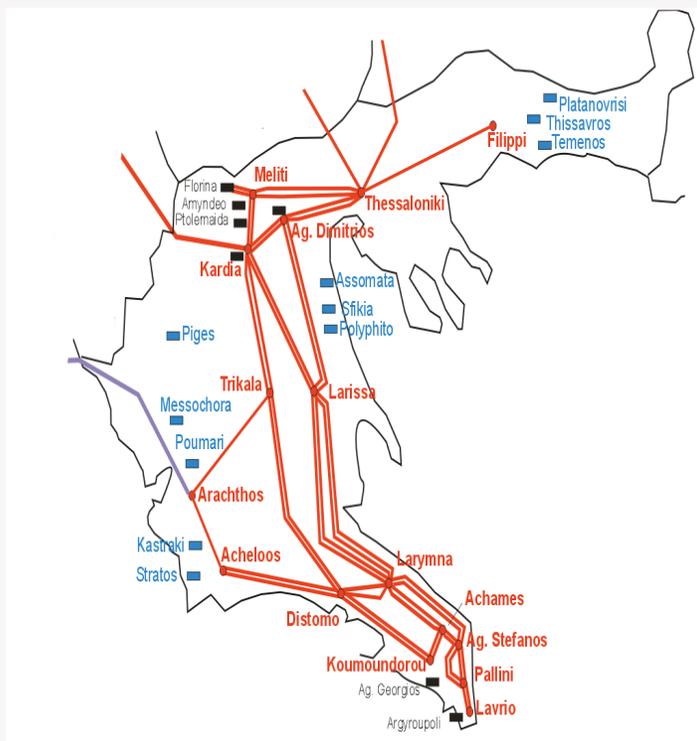
Installed capacity:

- Hydro 3061 MW
- Thermal 8060 MW
- Wind and renewable 330 MW

Electricity consumption (2004): 50804 GWh

Generation (2004): 48762 GWh





Greece is the only country in SEE that is EU member and it has much higher GDP than other countries in the region. Power sector in Greece consists of two companies. First PPC (Public Power Corporation, www.dei.gr) produces and distributes electrical energy. Second is HTSO (Hellenic Transmission System Operator, www.desmie.gr) that looks after for the existence of a balance between production and consumption, takes care of reliability and quality, and to settle the market that is basically a system of bilateral commercial relations between consumers and providers or producers. HTSO does not provide electric energy and whatever basic exchanging relations exist they are bilateral ones between producers/providers and their customers. Regulatory Authority of Energy (RAE) is an independent authority that manages, suggests and promotes the existence of equal opportunities and fair competition and gives the operation license to producers, providers and all the rest, related to the market.

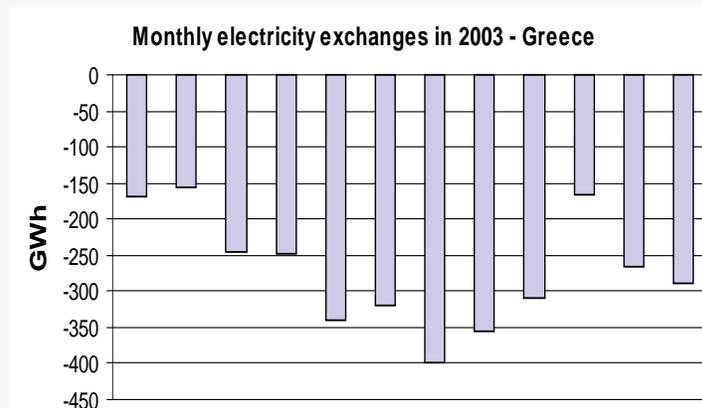
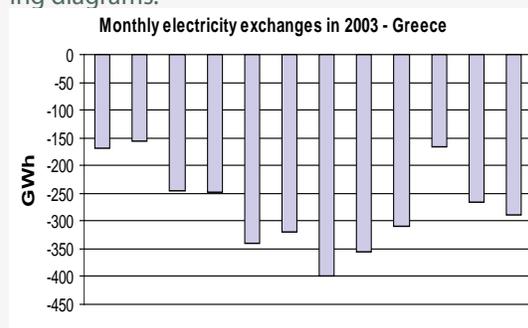
PPC is fully vertically-integrated company, but it targets a new organization and maintenance of the leading position in the Greek electricity market. Company owns and operates 33 power plants on the mainland and numerous smaller plants on the country's many isolated islands. It is listed on the Athens and London Stock Exchanges and has shareholder structure where main shareholders are Greek State (51.5%), Greek and foreign institutional investors (36.6%), and retail investors (8.1%). PPC entered into the telecommunications market through a joint venture with the Italian company WIND. They formed a new company TELLAS for fixed telephony and Internet that covers about 8% of the market.

51 % of HTSO belongs to the Public Sector, and the 49% belong to the electricity production companies existing in Greece. This means that P.P.C. today owns this 49% but its share will be decreasing giving the opportunity to new producers that may appear.

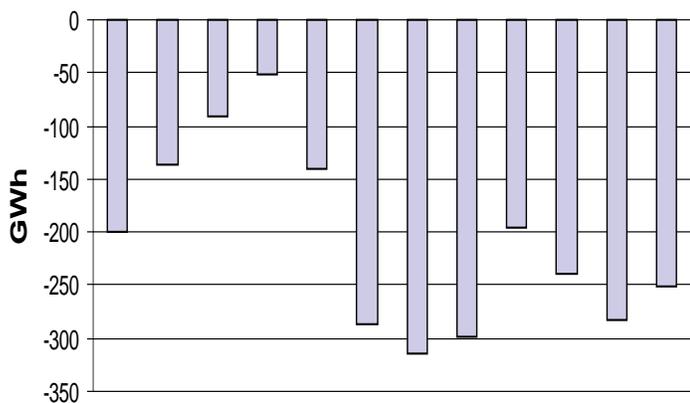
From February 2001, power market comprising of all high and medium voltage consumers was opened for competition. These consumers represent about 35% of overall consumption. Also licenses for private thermal generating plants were issued. From July 2004, power market is opened for all non-household consumers. It is planned that from July 2007 market should be 100% opened and that every customer, including households, should be able to purchase electricity from any available supplier.

The transmission system of Greece comprises of 400kV lines, 150kV and 66kV overhead and underground lines, and submarine cables, connecting the islands to the mainland transmission system. The interconnection with Italy is realized with 400kV direct-current transmission line. In energy trading PPC takes great advantage of interconnection with Italy because electricity price in Italy is much higher than in the rest of Europe because of existing bottlenecks on north Italian borders. Electricity is imported on north Greek border at low price and sold at very high price in Italy through direct current undersea cable. Approximately 70% of total electricity is generated in power stations in Northern Greece where majority of lignite mines are. But, the main electricity consumption (about 70% of overall consumption) is located in Central and Southern Greece. In order to transit such big amounts of energy from north to south strong transmission system is required. Three 400kV double-circuit lines serve for those transits. Electricity demand has been growing rapidly in the last decade and it increased for nearly 50%. Future consumption expansion is expected to be between 3.5% and 5% annually.

Greece is typical importer of electric energy. Monthly electricity imports in years 2004, 2003 and 2002 are shown on the following diagrams.



Monthly electricity exchanges in 2002 - Greece



* * *

Full report Analysis of Power Sector in Greece contains 23 pages with the content of:

Description

Legal framework

Electricity market

Restructuring

Important issues at glance

Review of actualities

- Development of regional and internal electricity market

market

- Electricity price development

- Privatization, refurbishment & investments

Links and contacts

News:

Protests against high power bills (Albania)

Citizens in Albania have protested against the forfeit power bills and against the collective power cuts. Citizens believe that Albanian power corporation (KESH) does not provide decent services to the customers in Albania.

In the same time, government has promised to reduce the tariffs for the private businesses that have been paying the very high prices comparing to the households in Albania.

Due to reduced collection rate, KESH has imposed power cuts for the customers who were late for a month with their payments. Instead of putting fines to the non-paying customers, KESH decided to disconnect those customers from power grid.

According to the KESH, the collection rate in the country was reduced by 20 % in the recent period. The collection rate of power bills in capital Tirana was reduced from 85 % to only 60 % in January this year. Due to low collection rate, the losses in the power network increased by 50.2 %, KESH said.

Energy regulatory body (ERB) said that forfeit power bills for almost 5,000 customers were larger than allowed by ERB. ERB allowed forfeit bills for the households ranging between 200 kWh

to 600 kWh per month, while KESH applied forfeit for 800 kWh for some customers.

Due to abusing with forfeit power bills, ERB has fined KESH. ERB reminded that, in 2004th, it had been predicted that all customers in Albania would have electricity meters, but KESH failed to accomplish the task.

Ombudsman has also accused KESH on hiding the real reasons for electricity shortages from Albanian citizens. According to ombudsman, the power cuts in March could not be explained with the lack of electricity, and due to inadequate services, KESH could not ask for the price increases.

Ombudsman supported the protesters in their intention, demanding from government to prevent increase in electricity prices and he has called KESH to present in public actual power production costs.

On the other hand, KESH officials believe that delays in increase in electricity prices would make additional financial damage to the national power company. This was said during the meeting of director of KESH and president of Albania in mid March.

§ § §

International consortium to build thermal power plant (Albania)

International consortium ASG Power SA has announced the plans for construction of thermal power plant (TPP) and liquefied natural gas terminal (LNG) in Southwestern Albania. The worth of the project is 1.54 billion euros and it should be carried out in the next three years.

The large part of the project, of 487 million euros, will be financed by USA Import Export Bank.

The consortium, with head office in Lugano, Switzerland, made of AET Swiss public utility and other members from Europe and USA, has signed memorandum of understanding with the Albanian government in March. The MoU should be approved by the national parliament in June this year.

New LNG terminal should have annual capacity of 10 billion cubic meters, while the combined cycle TPP, with power output of 400 MW, should be built near city of Fieri, 100 km southwest from capital Tirana.

The project was aimed to provide necessary electrical energy and natural gas for Albania and Swiss consortium believes that Albania would become large producers and exporter of electrical energy in the region.

Albania would have right to purchase electrical energy and gas under below-market prices, according to the MoU.

It is expected that Albania would use 2 billion cubic meters of gas per year for its needs, while the rest of 8 billion cubic meters could be transported through the undersea gas pipeline toward Italy.

The ASG Power has signed the contract for the construction of

venture SAIPEM and Black & Veatch and with German company ABB for the construction of electrical equipment.

§ § §

Protests against construction of TPP in Vlora (Albania)

Citizens' organizations have announced biggest ever protests against the construction of thermal power plant (TPP) in Vlora. Citizens believe that new TPP would damage the natural environment in the tourist resort of Vlora bay.

Albanian energy minister announced that government would decide very soon on the construction of new TPP in Vlora.

He also announced that government would revise all concession contracts for the construction of small-sized hydro power plants (HPP) due to reports on serious violations.

In the related news, Albanian power corporation (KESH) has reported that 55 GWh of electrical energy was deposited in neighboring countries especially in Kosovo.

The depositing of electrical energy during the period of favorable hydrology is new strategy of KESH, which should help to avoid serious disturbances in power system, happened in the last year.

§ § §

Increase in oil prices (Albania)

According to the Albanian press, the latest drop in global oil price was not reflected in domestic market. The price of oil has increased from 0,94 euros per liter to 1.07 euros per liter in capital of Tirana.

Experts warned that existing monopolies in oil sector in Albania should be removed in order to enable normal function of domestic economy.

In the same time, the fishermen in Albania have launched protest against the government requesting the decrease of fuel prices, as it was promised by the government during the electoral campaign,

The protesters in the region of Durres have managed to lead all fishing fleet in protests.

§ § §

Negotiations on Energy IV project concluded. 286 million dollars granted (Bosnia and Herzegovina)

Council of minister of Bosnia and Herzegovina (BiH), all three power utilities in BiH and World Bank (WB) have successfully concluded negotiations on Energy IV project after 12 months of talks.

The information was confirmed by the president of Council of ministers.

The project Energy IV was intended to support integration of

nity, and subsequently in energy community of EU, the safe power supply for citizens of BiH under new environmental standards and to enable the export of surpluses of electrical energy from the country.

The project is the extension of three previous same-named projects and it will be the largest single investment in BiH so far. The worth of the project is 286 million dollars and it will be financed by several international institutions and organizations.

WB will provide 36 million dollars, European Bank for the Reconstruction and Development will provide 67 millions, German KfW Bank will acquire 45 millions, European Investment Bank 116 million dollars, while Power utility of BiH will provide 2.3 millions and Power utility of Republic of Srpska will provide 6.3 millions dollars.

The project will be carried out in the next four to five years, the representative of WB in BiH confirmed. The worth of all four Energy projects should reach 900 million dollars.

§ § §

Power utility of Herzeg Bosnia to file the lawsuit against the Energy regulatory agency (Bosnia and Herzegovina)

On April 1st, Federal energy regulatory agency (FERK) has approved an increase in electricity prices in Federation of Bosnia and Herzegovina (FBiH) by defining new tariffs for summer and winter period, which resulted in increase of 5.77 % for Power utility of FBiH and 6.58 % increase for Power utility of Herzeg Bosnia (EPHZBH).

After the imposing of new prices, the both houses of parliament of FBiH have reached conclusion that application of new prices for households should be postponed until the government has defined new social program for most vulnerable categories of customers.

Minister of energy of FBiH explained that government could terminate the decision of FERK only through court procedure.

On the other hand, head of EPHZBH announced that this power company would file a lawsuit against the FERK due to losses suffered during the supply of electrical energy to the Aluminum factory in Mostar after introduction of new tariff system. Aluminum factory is the largest industrial customer in Croatian canton.

According to the head of company, the price of electrical energy is still to low. Due to insufficient production in the recent period, EPHZBH was forced to import electrical energy for behalf of Aluminum factory, as its supplier and public company that have to obey the state regulated tariffs. The price of imported electrical energy was 43 euros and it was delivered to the Aluminum factory at the price of 37 euros, which would led to the annual loss of 6 million euros.

Officials from the factory have denied the claims of EPHZBH on importing the electricity for 43 euros and selling it to factory at 37 euros, saying that they pay the highest power bills in the entire aluminum industry in the World.

It is estimated that annual power bill for the factory will be 12

The officials from Aluminum factory have also filed lawsuit against FERK. The Aluminum factory explained they move by the fact that price of electricity for them has increased by 26 %, comparing to the 15 % increase for other industrial customers and about 6 % for households.

§ § §

BA-CA Bank offered solution to Energopetrol (Bosnia and Herzegovina)

In mid March, representatives of Bank Austria Creditanstalt (BA-CA) have had a meeting with vice president of government of Federation of Bosnia and Herzegovina (F BiH), minister of energy, mining and industry and director of privatization agency.

As a reminder, in February this year, BA-CA has taken over the mortgage over the property of Sarajevo oil company Energopetrol from HVB Bank. The bank has a mortgage over 25 of the best petrol stations, and Energopetrol owes another 10 million euros to BA-CA.

The participants of the meeting have agreed not to reveal the subject of the meeting, but according to the newspapers in BiH, BA-CA has offered alternative solution to the federal government regarding the problem of property of Energopetrol, which is in process of privatization.

BA-CA has offered a loan for Energopetrol that would be used for paying debts to the bank, and, in return, BA-CA would become one of the owners of the oil company. Prime minister of F BiH has confirmed that BA-CA has offered to invest in Energopetrol.

The minister of energy and vice prime minister have welcomed such offer claiming it to be more favorable than the offer of INA-MOL consortium, the first ranked bidder in tender procedure.

Federal prime minister pointed out that no new offers could be made until the current negotiations with INA-MOL have finished. They also requested from BA-CA not to exercise mortgage rights prior the end of negotiations.

In the same time, Commission for recapitalization of Energopetrol, with new chairman, recently appointed by the federal government, have been preparing further actions regarding the negotiations with INA-MOL consortium.

According to the unofficial sources, the contract between government and INA-MOL could not be completed until May 1st. As a reminder, INA-MOL consortium has set the May 1st as a deadline for the acceptance of their offer.

§ § §

New 400 kV interconnection transmission line Ugljevik - Sremska Mitrovica is in operation (Bosnia and Herzegovina, Serbia, Regional)

On 26.04.2006 new 400 kV line between TPP ugljevik in Bosnia and Herzegovina and Sremska Mitrovica in Serbia has been put

parallel operation. Existence of this line will increase cross border interconnection capacity between Serbia and Bosnia and Herzegovina, but also between Serbia and Croatia. New 400 kV line Ugljevik (B&H) - Sremska Mitrovica (Serbia) is contributing significantly to relaxation of 400 kV line Ernestivovo (Croatia) - Sremska Mitrovica (Serbia). Average achieved power flow on new line is around 170 MW in direction to Bosnia and Herzegovina.

§ § §

Gazprom increases the pressure for change of contract for transit of natural gas (Bulgaria)

After the pause of several months, Russian gas monopoly Gazprom has again asked from Bulgaria to renegotiate the contract for transit of natural gas.

Gazprom has been transiting the natural gas across Bulgaria toward Greece, Turkey and Macedonia.

The current transit contract between Gazprom and Bulgaria was the barter type, and Gazprom wants to pay transit services in cash and subsequently to increase the price of natural gas for Bulgaria. Current agreement provides fixed and favorable price of natural gas for Bulgaria.

According to the Gazprom's proposal, the increase in the gas prices would be compensated by the Gazprom's investments in the natural gas network for Bulgarian households, increase of the amount of transited gas, participation in the privatization procedure of the Sofia heating company and investments in construction of nuclear power plant Belene.

The proposal was presented by deputy general manager of Gazprom to Bulgarian energy minister, during the presence of the Gazprom's official at the shareholders meeting in Overgas, 50 % owned by Gazprom.

Russians will present proposal for the new amendments in the transit contract by July. Current contract expires in 2010th. Gazprom plans to ask for the arbitration from the European regulators or to find alternative transit routes.

Bulgaria will sign the new agreement only if the price of natural gas remains favorable, energy minister say.

According to the data of energy ministry of Bulgaria, average price of natural gas is 257 dollars per 1,000 cubic meters.

Bulgarian experts believe that government will have little choice in this issue, having in mind that Bulgaria has no established market based pricing methodology for natural gas, while in the same time Gazprom is the monopolistic supplier for Bulgaria.

Gazprom plans to increase the transit of natural gas across Bulgaria from 15.5 billion cubic meters up to 20 billion cubic meters until 2020th.

Bulgarian state-owned gas company has reported 14.6 % increase in transit volume of natural gas reaching 17 billion cubic meters in 2005th.

In February this year, Gazprom has offered the extension of transit contract to Bulgaria for another ten year, with new amendments included.

§ § §

NEK to be transformed into one subsidiary, 4 branches and 2 enterprises (Bulgaria)

According to the latest decisions, by the end of this year, National transmission system operator (NEK) should be transformed into Holdings Company comprised of a subsidiary transmission system operator, four branches and two enterprises, the Dams and Cascades, and Trafoinvest.

The mother company will keep the license for the public power supplier, for the power production and electricity trade and transmission. Transmission system operator will operate power network under the power network management contract with NEK, but without the ownership rights over the network.

The worth of the assets in new holdings company, including the power complexes in Rila, Rodopi and Chaira, is several million euros.

According to the EU directives, activities of power supplier and the transmission system operator must be separated legally and financially. The accounting separation of those two activities has been already introduced in NEK.

The restructuring of the NEK must be approved by the parliament by adopting the changes in the energy law.

§ § §

CEZ, EVN and E.ON demand increase in electricity prices (Bulgaria)

The power distribution companies EDC Stolichno, EDC Sofia Oblast and EDC Pleven, 67 % owned by Czech CEZ, will propose new electricity tariffs from October 2006th.

The main idea in proposal of three companies was to introduce two parts in the electricity tariff, the constant one and the variable one.

The constant part of the electricity price should partially cover the constant costs related to the providing of uninterrupted power supply. According to proposal, each customer would have to pay 0.75 euros per month per each electricity meter (no VAT included), regardless if they spend electrical energy. Variable part of the price will be related to the level of consumption.

CEZ-owned power distribution companies would demand average increase 11.9 % in electricity prices, with 19.4 % increase for large industrial customers, 15 % increase for medium-size enterprises and 6.9 % increase for household customers.

CEZ justified the increase in electricity prices by the 164 million euros investment program in Bulgaria until 2007th. The new plans will also include new legislation in power supply sector and reaching the EU standards in quality of power supply.

Power companies should submit their request to the State Energy and Water Regulatory Commission (SEWRC) by the end May.

German power company E.ON, which owns the majority stake in power distribution companies in Varna and Gorna Oryahovitsa, has earlier announced the request for 6.5 % price increase for households' customers, 18 % for medium-size enterprises (that use low-voltage power grid) and 24 % price increase for large industrial customers.

The new prices, for 1,2 million households and 1,000 companies supplied by E.ON, should not be effective prior October.

E,ON, like CEZ, has proposed introduction of electricity meter fee of 0.75 eurocents per month for households' customers and 50 euros for or medium-size enterprises and large industrial customers.

E,ON proposal does not include 15 % increase in wholesale prices of the electricity sold by National transmission system operator (NEK) to the power distributors.

NEK has demanded for the price increase due to increase in coal prices and increase in retail prices charged by power distribution companies.

In 2005th, power distribution company in Varna has reported loss of 4 million euros, and company in Gorna Oryahovitsa had 3.5 million euros of losses in the same year, E.ON confirmed.

E.ON has invested about 14 million euros in those two power distributors in 2005th and it should invest another 22 million euros in 2006th, mostly for the construction of new substations in Byala, Trakata, Balchik and Kamchia.

In the same time, E.ON has plans for purchase of shares in gas distribution companies, for participation in privatization of heating companies and power plants, in order to become the leader in energy market in Bulgaria.

Austrian EVN, which owns power distribution companies in Plovdiv and Stara Zagora, also announced average increase in electricity prices of 8.5 %.

§ § §

65 million euros for hydro power plant cascade (Bulgaria)

On April 25th, Bulgaria's transmission system operator (NEK) has signed three contracts with Austrian companies Va Tech Hydro and Porr Technobau und Umwelt regarding a renewal of the Lower Arda hydro power cascade in Southern Bulgaria.

NEK has announced that costs for the renewal of three hydro power plants (HPPs) in cascade, the Kyrdzhali (106 MW), Ivailovgrad (103.5 MW), and Studen Kladenets (60 MW), would reach 49.5 million euros and it should be finished until October 2010th.

Another 15.9 million euros will be spent for the upgrade of HPP Studen Kladenets, which should be finished until December 2008th. The upgrade of about 20 MW will increase annual production of the HPP by 20.8 GWh.

NEK should provide 30 % of funds, and the rest would be provided by the loans.

According to the signed contracts, Bulgaria will repay the funds for the renewal of Lower Arda cascade in the period of 25 years.

Va Tech Hydro's official confirmed that negotiations with seven banks interested for participation in the project have been underway.

§ § §

Gazprom and E.ON decide to exchange assets. Bulgarian companies included (Bulgaria)

Russian and German energy giants, Gazprom and E.ON, have signed the contract regarding the exchange of shares in several of their subsidiaries.

E.ON has offered the stake in its subsidiaries in Bulgaria, Czech Republic, Poland and Slovenia to Gazprom in exchange for the stake in gas deposit in Southern Siberia.

The official signing of the contract between Gazprom and E.ON has taken place in Russian city of Tomsk on April 27th.

The gas reserves in the aforementioned gas fields in Southern Siberia have been estimated at 700 billion cubic meters and the deposit has been operated by Gazprom and Wintershall, the unit of BASF.

In Bulgaria, E.ON owns 59 % of shares in power distribution companies in Varna and Gorna Oryahovitsa.

§ § §

Signing of the agreement for transit of nuclear fuel (Bulgaria)

On April 27th in Kiev, Bulgarian deputy economy and energy minister and his colleagues from the Russia and Ukraine have signed the contract for transit of nuclear fuel from Russia across Ukraine to Bulgaria.

The governments of Russian and Ukraine, who had the long lasting negotiations on this issue, previously approved the contract.

The contract was very important for Bulgaria, considering that contract enables safe and regular transport of nuclear fuel supplies for nuclear power plant Kozloduy, and transport of spent nuclear fuel to the special facilities in Russia.

§ § §

Officials denied claims on large-scale failure in NPP Kozloduy (Bulgaria)

On April 25th, Bulgaria's economy and energy minister has strongly denied claims regarding the dangerous failure at unit 5 in nuclear power plant (NPP) Kozloduy on March 1st and 2nd

The rumors on failure were reported in German and Austrian press, who said that Bulgarian authorities underestimated the incident at the NPP and failed to report it to the International Atomic Energy Agency and the Bulgarian public.

The news on the failure was first brought by the Bulgarian nuclear expert, the former chairman of the Committee on the Use of Atomic Energy for Peaceful Purposes (now the Nuclear Regulatory Agency), which is now employed in Vienna-based Institute of Risk Research.

According to him, the failure of nuclear protection equipment that happened in Bulgarian NPP in the beginning of March was the largest-scale such incident in the World. If some unwanted nuclear reaction had been happened during the shutdown of security system, consequences could have been disastrous, expert said. He blamed the national policy on nuclear strategy, which led to the reduced quality of operation in NPP and usage of defected spare parts of equipment.

Energy minister called this statement as rather speculative and intended to damage the reputation of the Bulgarian energy sector.

Executive director of NPP Kozloduy also criticized the statement on failure. He said that comparison of latest problem in NPP Kozloduy to the Chernobyl disaster was insinuation. The incident in Chernobyl was the 7th to 8th degree type of incident, while the Bulgaria's NPP experienced problem of 1st degree type, director explained. In fact, he strongly denied claims on shutdown of security system and low quality of spare parts in NPP. Director said that NPP Kozloduy holds World record on uninterrupted operation of 9 year and 4 months.

§ § §

Negotiations on selection of constructor of NPP Belene started (Bulgaria)

In the end of April, Bulgaria's national transmission operator (NEK) has started talks with the consortium led by the Scoda Alliance regarding their offer for construction of nuclear power plant (NPP) Belene (2x1,000 MW).

The talks have been related to the technical issues of Skoda's bid and the extent of the investment depending on the options for completion of NPP or construction of entire new NPP.

The tender committee should evaluate financial aspects of the offer only after clarification and approval of technical and contractual issues.

Scoda consortium offered to install the nuclear reactors Temelin type (VVER 1000), with installation costs of 3 to 3.5 billion euros.

The negotiation with the second bidder, the consortium led by Russian AtomStroyExport, should start in the beginning of May. Russian media have said that AtomStroyExport was closely related to the Gazprombank, the bank owned by Gazprom.

The difference in price of electricity produced in NPP Belene offered by both consortiums was considered as negligible. Russians have proposed the highest price of 4 eurocents per kWh

Both consortiums are willing to employ Bulgarian companies as subcontractors in the project with the extent of 30 %.

The project led by Russians should be financed by Gazprombank with the support of the Russian government, while Czech consortium would provide 100 % financing of the project by the loan granted by Citibank and guaranteed by the Czech Export Guarantee and Insurance Corporation.

Interesting thing is that AtomStroyExport has proposed the joining of two bids if Bulgarian government decides to continue the construction of NPP with the equipment already installed at the construction site in the 1990s.

It is expected that winner in the tender would be announced in June.

In the same time, the head of the NPP Belene department in NEK announced start of large-scale construction works on the NPP's site.

From June this year until the end of 2007th, several administrative and residential buildings for the future engineers and workers should be built. NEK plans to build information center and to reconstruct the road and railway network in the area.

As a reminder, in the end of April, Bulgarian government has decided that new established branch in NEK, the NPP Belene, would be responsible for the construction of NPP, finding the investors and selection of the constructors. Bulgarian energy minister confirmed that government has granted the construction site to the new company, by which government would acquire 51 % in the project.

General manager of NEK confirmed that company would lend the funds for the project, while in the same time, the two consortium have also suggested to find investors.

Bulgarian officials look forward for the financial support from European investment bank, and Euroatom.

Government should decide one the state guarantees that could be granted for the project after selection of the constructor. According to some announcements, NEK could acquire 300 million euros state-guaranteed loan in order to start the construction works, during which strategic partner would be found.

§ § §

Russia seeks for new contract on Burgas – Alexandropoulos oil pipeline, Chevron interested for the project (Bulgaria & Greece)

According to the Greek newspaper Imerisia, Russia wants new interstate agreement regarding the construction of oil pipeline Burgas (Bulgaria)- Alexandropoulos (Greece), to be signed.

The request was made by the Russia's minister of industry and energy during the meeting with Greece ambassador in Moscow.

Russia is looking forward for speeding up the project, where

new interstate agreement would reduce all potential risks in the project. This issue should be discussed in meeting of trilateral committee that still needs to be scheduled.

In April this year, Bulgaria, Greece and Russia have signed memorandum of understanding for the construction of the pipeline. In February, during the meeting with Greece prime minister and development minister, chairman of the management board of Gazprom has announced intention of the of Gazprom's subsidiary Sibneft to participate in the project. Besides Sibneft, the Russian companies that should take part in the project are TNK BP (Tyumen Oil Co and British Petroleum) and Rosneft.

In the same time, US company Chevron and KAZMUNAIGAZ from Kazakhstan have expressed their interest for the participation in the project, official from Transneft said. On other hand, Transneft does not intend to take part in project, but it might participate as an observer of operator of the pipeline.

Executive director of Bulgaria's state-owned gas company Bulgargaz announced that it would be soon decided on establishment of new Bulgarian company that would participate in the project. Bulgargaz should control 25 % in that new company, and Universal Terminal Burgas should own the rest of the stake.

The costs of the construction works for Burgas- Alexandropoulos oil pipeline should reach 783 million euros. The pipeline should be 280 km long with initial annual transport capacity of 35 million tons of oil and 50 million tons in the future.

§ § §

E.ON joins consortium ALCSO for construction of LNG terminal (Croatia)

Despite some announcements, German giant E.ON will join ALS-Co consortium and participate in the construction of liquefied gas terminal (LNG) on island of Krk in Croatia.

Other members of consortium, Croatian oil industry (INA), French Total, Austrian OMV Gas, German RWE Transgas and Geoplin from Slovenia, have been finalizing the negotiations with the German company. The share of the E. ON in new consortium was not mentioned.

As a reminder, previously the members of the consortium refused the E.ON's offer to acquire the 50 % of the share in consortium by investing the 500 million dollars, the half of the amount needed for the construction of LNG terminal.

INA's official said that E.ON should joint the consortium under acceptable terms for all members.

Croatian power utility (HEP) has also expressed interest for the participation in consortium. HEP wants to invest 150 million euros for 10 % of share in consortium and to provide 1 billion cubic meters of gas for its purposes, because HEP has been considering the construction of gas-fired power plant near LNG terminal.

INA's official confirmed that HEP could certainly count on the requested amount of natural gas at privileged prices even if other members of consortium did not accept the HEP membership in consortium. This should be approved by all members in consor-

It is believed that funds offered by HEP were not necessary for the other members, who would not want to decrease their share in the project and profit.

§ § §

New general terms in power supply (Croatia)

After adoption of new General terms in power supply in Croatia, starting from April 1st, connection of new customer to the power grid would be followed by the special contract signed with the Croatian power utility (HEP).

The previous procedure required only the request made by the customer and approval for works. The contract between customer and HEP will regulate the terms for the connection and usage of power grid.

HEP's subsidiary, the HEP- Operator of power distribution system, should issue the power supply authorization for all customers that will determine the instantaneous maximum power allowed for all customers, so called network connection power. Existing customers without power authorization should receive it until July 1st 2008th.

For all customers with network connection power below 30 kW, the maximum power will be restricted by power limiters, while the maximum power for the large customers will be measured. HEP will be obliged to install power limiters for all customers where it is necessary.

New general terms oblige HEP on stricter terms regarding the voltage quality and safety of power supply. HEP will establish new system for monitoring of quality of services provided that should be published on the official website of the company starting from July 1st this year.

The customers could submit objection on the voltage quality and HEP will be obliged to undertake the necessary measurements in the period of 20 days and to notify the customers in the ten-day period.

The deviation in voltage quality could be approved only by Croatian regulatory energy agency (HERA) in specific cases.

New regulations regarding reliability in power supply define the tolerable number of interruptions in power supply, which last longer than three minutes, and their overall duration. The force majeure interruptions and regular maintenance works are not included in aforementioned category.

HEP does not guarantee the uninterruptible power supply (it is considered as too expensive) and Operator of distribution system will not be responsible for the damage caused by interruption. The cause of interruption must be identified in 24 hours after the failure.

HEP will be obliged to inform large customers on planned interruptions in power supply at least two days before it happens, and households customers one day before the planned interruption through the public media.

Monthly power bills for household customers will be determined according to the average consumption in the previous billing period multiplied by the correction factor of 1.01 (instead of previous value of 1.1) due to expected increase in power consumption plus the fixed monthly fee.

The final half-annual and annual invoicing will be determined after reading the electrical energy meters, where the settlement between HEP and customers will be done.

§ § §

OMV invests 30 million euros in 2006th (Croatia)

OMV's subsidiary, the OMV Croatia, announced 30 million euros of investments in Croatia in 2006th. The funds will be mostly invested in enlargement of existing and construction of new petrol stations.

The announcement was made at the opening ceremony of OMV's 41st petrol stations in Croatia in city of Osijek. New petrol station offers to customers, beside fuel, the liquefied petroleum gas and more than 3,500 of other products.

OMV has entered Croatian oil market in 1992nd, and present market share of OMV in fuel retail sector in Croatia reached 11 %.

§ § §

INA considering listing on NYSE (Croatia)

Croatian finance minister has visited New York Stock Exchange (NYSE) in order to discuss the possibility for listing the shares of Croatian oil industry (INA).

President of the NYSE supported the Croatia in their intentions in this issue, saying that general economic situation in Croatia was generally good. NYSE official proposed to minister to reconsider the participation of NYSE in listing of other Croatian joint stock companies due to large number of potential investors.

The final decision, whether INA will be listed in some stock exchange, should be decided by the government of Croatia after consultations with privatization advisor.

§ § §

30.000 vehicles use propane-butane (Croatia)

According to the latest estimations, about 30,000 vehicles in Croatia use propane-butane i.e. liquefied petroleum gas (LPG) as an engine fuel, and the number could reach 40,000 by the end of this year.

The rise in gasoline and oil prices in World markets has additionally increased interest for usage of LPG by drivers in Croatia. While the price of one liter of LPG in Croatia is 0.42 euros, and it was not changed since 2000th, the price of most types of gasoline (and diesel too) are between 1.1 to 1.23 euros per liter, especially in private petrol stations

According to experts, new modern vehicles that uses LPG could drive as far as the vehicles that use gasoline, which is another thing in favor of LPG. On the other hand, owners of the cars that use LPG are obliged to pay annually 75 euros worth highway toll, which have been incorporated in price of gasoline and oil.

The number of petrol stations that offer LPG has increased at 100, and Croatian oil industry (INA), OMV, Tifon, Petrol and other companies constantly open such new stations.

The increased consumption of LPG was confirmed by INA's branch specialized in LPG, the Proplin. According to Proplin, in the first three months this year, company has sold 6,5000 tons of LPG comparing to the 4,000 tons in the last year in the same period.

§ § §

Benefit of 2.7 billion dollars from PEOP. (Croatia)

The construction of new Pan European oil pipeline (PEOP), Constanza-Pancevo-Omisalj –Trieste, with annual transport capacity of 60 to 90 million tons of oil could bring 1.9 billion dollars for Croatia during the operational life of the pipeline, with 1.3 to 2.7 billion dollars of direct benefits.

The data was confirmed in the study carried out by Romania for its needs.

The construction contract should be signed in May, and 423 km of 1319 km long pipeline, will pass across Croatia. The building of the pipeline could start in 2007th, and the works could be finished in 2011th or in 2012th. The Croatian costs in this project could reach between 550 and 980 million dollars, depends on the pipeline capacity.

In the same time, it is believed that corridor for the annual transport of 20 billion cubic meters of natural gas from Kazakhstan could be build parallel to PEOP.

During the operation of PEOP, existing oil pipeline system in Croatia, the Adriatic pipeline (Janaf), should increase the incomes by 40 to 100 million dollars per year, and profit should reach 10 million euros.

One important aspect of the PEOP for Croatia will be the reduction of tanker transport in Adriatic Sea, as different from the Adria project that has been also discussed in Croatia.

§ § §

Loan for construction of wind farm near Sibenik (Croatia)

German companies WPD International GmbH i Enersys Gesellschaft für regenerative Energien mbH have, the owners of the wind farm Trtar-Krtolin near city of Sibenik, and Bank Austria Creditanstalt AG with Zagreb Bank, have signed the 13 million euros loan contract for construction of wind farm. The wind farm will have power output of 11.2 MW.

The project was started in 2001st, and owners of the wind farm financed initial construction works.

The second wind farm in Croatia should have 14 wind turbines, each with 800 kW power output. Expected annual production should reach 32 GWh, which should provide electrical energy for 10,000 households.

The majority of construction works and installation of electrical equipment would be carried out by the Croatian companies.

In the next 15 years, the Croatian power utility (HEP) will be buying electricity produced in wind farm in accordance to the contract signed in 2004th. The wind farm should be operational in this year.

Two wind farms in Croatia (the first one was installed in island of Pag), with overall number of 21 turbines and power output of 16.8 MW, should provide 47 GWh of electrical energy per year.

There are plans for the construction of two more wind farms in the nearest future.

Croatia produces 17 % of overall electrical energy from nuclear power plant Krsko, 36 % from thermal power plants and 47 % from hydro power plants, while the energy from renewable energy sources is insignificant in this moment.

§ § §

Hellenic Petroleum interested for natural gas market (Greece)

Hellenic Petroleum (HP) has been investigating the opportunities in the natural gas sector, company's chief executive officer (CEO) confirmed.

HP believes that natural gas could be substitution for oil in the future. HP plans to increase its share in Public Gas Company (DEPA), from current value of 33 % having in mind expected increase in natural gas demand.

The investments of HP in 390 MW natural gas-fired thermal power plant in Thessalonica should be related with increased incentives by the state, CEO believes. The current price of electrical energy and the costs of natural gas used in power production do not guarantee satisfactory return of invested capital (RIOC).

§ § §

PPC to build new power plant (Greece)

Board of directors of Public power corporation (PPC) has been considering an option for construction of 400 MW power plant in Aliveri.

The plant should be operational in 2009th. The worth of the project was estimated at 220 million euros and it is the part of the recently announced 1,600 MW replacement program of PPC.

One billion euros of investments in power grid (Greece)

Government of Greece would invest 1 billion euros worth investments in the power grid in period 2006 until 2010th, development minister confirmed.

The amount of the funds was related to the long-term study carried out by Hellenic Transmission System Operator (HTSO) and investment projects will be mostly undertaken by Power public corporation (PPC).

The most important project would be carried out in the Central Greece, Attica, Peloponnesus and the islands of the Cyclades. The plans include the construction of undersea power cable that will connect power plant in Lavrion (Attica) and construction of new substations in Peloponnesus.

The estimations for the investments were also confirmed by the Marfin analysts, which has estimated that PPC will have overall capital expenditure in period 2006-2010 of 4.02 billion euros.

Marfin estimated that 32 % (1.3 billion euros) would be invested in generation facilities, 32 % in distribution projects, 25 % (1 billion euros) in transmission and 12 % (500 million euros) should be invested in mining operations.

§ § §

Regulatory agency will allow tariff increase for PPC (Greece)

The head of Regulatory Authority for Energy (RAE) has announced that RAE would approve to the Public power corporation (PPC) to increase electricity tariffs by 2 %.

The increase would be done through the fuel surcharge in order to compensate high oil costs in PPC.

PPC has not yet officially submitted the request for the fuel surcharge, but because PPC relied in large percent on oil and natural gas in process of power production, the additional costs should be recognized, REA head explained.

In 2005th, PPC has achieved 54 % decrease in net profit down to 135.7 million euros, which was in large amount the result of high fuel prices in global market.

The recommendation of RAE should be approved also by development ministry, which was obliged to give final decision on fuel surcharge. The last increase of 3.4 % in electricity tariffs was approved in September last year.

RAE announced that electricity tariffs should rise 20 to 30 % in the next five years, having in mind that Greek tariffs are among the lowest in EU. The customers should not pay the costs for carbon emission costs, yet PPC must receive incentives to reduce emission, REA believes.

§ § §

First tender for construction of power plants officially launched (Greece)

Ministry of development has officially published the first HTSO's (Transmission system operator) capacity availability tender, i.e. the construction of 400 MW private power plant.

HTSO should launch three tenders for construction of power plants with total output of 900 MW. The second tender should be launched in December 2006th, and third one in April 2007th. Overall investments in three tenders should reach 750 million euros.

The first tender procedure should last six months, where the most likely winner in tender will be the investor who requires the lowest annual guaranteed revenue. It expected that offers would range between 75,000 to 92,000 euros per MWh, with 12-year guarantee. New plant should be operational in 2009th.

The participation in the tender requires the generation license for combined cycle gas turbine (CCGT) plant of at least 360 MW. Public power corporation (PPC) is not allowed to participate in the tender.

New plants have to be natural gas fired and they have to be located in highly populated Southern Greece, for the purpose of easier transport of produced electricity.

On the other hand, Regulatory Authority for Energy (RAE) said that terms for the third tender regarding the location and engine fuel of the plants could be changed. It could be allowed to build coal-fired power plants, RAE said.

It is expected that two foreign investors would take part in the tender, the Spanish Iberdrola and Italian Edison.

§ § §

Increase in natural gas prices (Macedonia)

Regulatory energy commission of Macedonia has accepted request of Makpetrol and decided to allow the increase in natural gas prices of 5.5 %.

Large number of Macedonian companies did not expect such outcome and they believe the price increase would cause significant business losses for them.

There are 24 large companies in Macedonia that use natural gas in production process. The representatives of the companies believed that both the customers and suppliers had to share the problems related to the high energy prices. They requested from Makpetrol to reduce their profit rate, but oil and gas supplier did not accepted recommendations, saying that price of diesel and fuel oil in World market have been considerably increased.

In the same time, price of gas in Macedonia could be indirectly affected by the latest dispute between Bulgaria and Gazprom regarding the new contract for transit of natural gas. Gazprom warned Bulgaria that it could find alternative transit route in case if Bulgaria rejected to sign the agreement.

The main supply route for natural gas in Macedonia is across Bulgaria.

§ § §

25 million euros loan from World Bank to MEPSO (Macedonia)

World Bank (WB) has granted 25 million euros loan to the Macedonia's transmission system operator (MEPSO). The loan will be used for improvement of power system stability and enlargement of power network in the country.

The representative of WB in Macedonia and general manager of MEPSO signed the loan agreement, and minister of finance of Macedonia signed the loan guarantees.

General manager of MEPSO said that funds will be invested for construction of interconnection 400 kV power line between Bitola and Greece, construction of new substations and renewal of existing ones, including the substation 400 kV Skopje 5. The part of the funds will be invested for the telecommunication projects.

The WB's official said that main purpose of the loan was to increase the stability of power system, having in mind the forecasted problems in power supply not only in Macedonia but also in whole region.

According to him, another challenge for Macedonia would be construction of new power production units in order to meet power demand in the nearest future, having in mind that average age of the power plants in the country was 30 years.

The loan was the part of the 2 billion euros of financial support from the WB to the Southeastern European countries.

§ § §

Siemens to build 400 kV substation in Stip (Macedonia)

German company Siemens will build 400/110 kV substation in Stip and new bus bar field in the existing 400/110 kV substation in Dubrovo.

Siemens' offer was selected as the best one on the international tender, Macedonia's transmission system operator (MEPSO) said. The worth of the contract is 10.3 million euros.

The construction works should be finished in period of 18 months, i.e. substation should be operational in the mid 2007th. According to the turnkey project, 70 % of the funds will be invested for the equipment and 30 % will be spent for the construction works, installation, designing and putting the substation in operation.

The construction of substation would enable construction of new 400 kV interconnection power line toward Bulgaria. This project has been financed by the European Bank for the Reconstruction and Development (EBRD).

The substation will particularly improve power supply in eastern Macedonia, and together with new power line toward Bulgaria, it will have great significance for the transmission network in Macedonia but also in whole region.

Macedonia, the importer of electricity, believe that new substa-

and transit of electricity, while the new line could reduce the congestions in the power systems in the region.

§ § §

Tender for construction of 21 small-sized hydro power plants probably in May (Macedonia)

Government of Macedonia should launch the tender for construction of 21 small-sized hydro power plants (HPPs) most likely in May this year.

Overall power output of HPPs should be 17.7 MW with annual production of 72,900 MWh of electrical energy.

The HPPs will be built in seven cascades. Three cascades with nine HPPs should be built on River Crni Drim, the one cascade with two HPPs on River Konska, one cascade with three HPPs on River Radika, and one cascade with four HPPs on River Zajaska. Each bidder will be allowed to bid for more than one cascade.

Minister of economy of Macedonia announced that public tender would be prepared in cooperation with World Bank, where the overall worth of the projects should reach 22 million euros.

The concession contracts for the HPPs with power output up to 2 MW would be signed for period of 20 years, and for HPPs with power output between 2 to 10 MW for period of 30 years. Annual concession fee will be 1 % of annual power production incomes at average annual price.

All owners of the HPPs will also have to pay never-to-be-repeated fee, where for the HPPs below 2 MW the fee will be equal to five times of the annual concession fee, and for the HPPs above 2 MW, the fee will be ten times the annual concession fee calculated according to the first year of operation.

The investors will be selected in accordance to the lowest offered price per kWh of produced electrical energy in HPPs.

Government has been considering the options for concession contracts for large HPPs, where construction of HPP Cebren is most likely project to happen.

§ § §

TPP Bitola with only 5-year coal reserves (Macedonia)

The largest power producer in Macedonia, the thermal power plant (TPP) Bitola (600 MW, 70 % of domestic production) has only 5-year reserves of coal. If new coalmine were not open very soon, TPP would be left without coal.

In the same time, members of Macedonian parliament did not allow the chairman of ELEM (Macedonian power plants) to sign the loan with German KfW Bank.

The loan should be used for the continuation of exploration in new coalmine near village Brod. More precisely, ELEM wanted to purchase the 17 million worth coal excavation equipment from German company Man Takraf. The KfW would provide 85 % of

funds for the purchase and the rest of the 1.9 million euros of loan would be used for insurance guarantees.

Parliamentary commission for budget and financing believed that 16.3 million loan, with 4.5 % annual interest rate, 18 month grace period and 11 years payment period, was unfavorable. The same loan could be acquired from the domestic banks, commission said.

New coalmine in Brod was officially open two years ago. The coal reserves are estimated at 200 million tons of coal, which would be sufficient for 20 years of power production in TPP Bitola. The worth of entire investment is estimated at 95 million euros.

§ § §

MEPSO asks for 13 % increase in electricity prices for industrial customers (Macedonia)

Macedonia's transmission system operator (MEPSO) should submit request for the increase in electricity prices by 13 %. The request will be submitted to the Regulatory energy commission (REC) in May.

The main reason for the price increase is the high price of imported electrical energy offered in the latest tender.

The nine companies, ATEL and EFT from Switzerland, NEK from Bulgaria, Energy Holding from Romania, Sempra from England, PCC and Ostelektra from Germany, Ezpada from Czech Republic, and EPS from Serbia have offered electricity at 2.3 to 4.4 eurocents per kWh for night tariff and even 6.9 eurocents for day tariff.

The average prices offered in the tender range between 4.5 to 5 eurocents per kWh, which was considerably higher comparing to the last year's average price of 3.6 eurocents.

Because of that, MEPSO, which imports one third of the overall power consumption in the country, should pay 50 million euros more for the import of electricity in this year than it was originally planned. MEPSO will pay 150 to 170 million euros instead of 118 million euros.

Another problem for the Macedonia is the fact that MEPSO has not imported required amount of the electrical energy in the tender.

As a reminder, MEPSO will still need to import electrical energy in period January-April 2007th, because companies in the tender offered 2.3 TWh instead of required amount of 2.7 TWh. The nine companies have only offered to MEPSO the half of the required amount for the next year, and MEPSO should reconsider their offers in the nearest future.

Department for public procurement in MEPSO should evaluate all bids and it should sign the supply contracts with selected companies in the beginning of May.

MEPSO should sign contracts for import of 1.1 TWh in this year, for which it would pay 55 million euros.

The contracts must be approved by the Regulatory energy com

According to the earlier announcements from Macedonian press, MEPSO should increase the price of electrical energy for industrial customers by 15 % starting from May. Industrial customers currently pay 26.3 euros per MWh. eurocents. They did not welcome announcements about price increase saying that price of electricity makes average of 15 % of price of their final products.

The majority of the supply contracts between MEPSO and industrial customers are close to the expiration and the contracts are still not renewed. MEPSO plans to sign official protocols with all major industrial customers in order to establish initial prices and amount of electricity needed. MEPSO expects to reduce its costs by 11 to 12 % by signing such preliminary contracts.

Industrial customers in Macedonia spend about 2.7 TWh of electricity per year, which is the amount demanded in the tender.

In the same time, MEPSO has announced that households' customers would remain the most privileged category of customers.

New price policy for the households would have block tariff system. The first tariff will be minimal and it will be related to average power consumption, while the second tariff will be considerably higher for the customers that spend high amount of electricity.

During the last year, MEPSO, the first company that have successfully restructured from former Power utility of Macedonia (ESM) on January 1st 2005th, has achieved 50 million euros of profit.

§ § §

Seven companies placed bids for TPP Negotino (Macedonia)

Seven companies, together with new owner of the Power utility of Macedonia-Distribution (ESM Distribution), the Austrian EVN, have submitted bids for purchase of fuel oil-fired thermal power plant (TPP) Negotino (200 MW). The tender was published in Financial Times on April 7th.

Besides EVN, prequalification bids were submitted by Austrian Verbund, Russian Inter RAO, Ukrainian TPP Bela Crkva, Canadian Natch and Energy Resources Inc, and local company Feni.

Unofficial information prior publishing the tender suggested that Greek Hellenic Petroleum and Gaz de France were also interested for the TPP Negotino.

The names of the companies that have qualified for the second phase of the tender should be announced in May.

According to the clause in the tender, government of Macedonia was not obliged to sell the TPP, .i.e. in case if none of the offers was satisfactory, government could cancel tender procedure.

According to the tender terms, each company should submit auditor's report for the last fiscal year. Interested companies should have 300 million euros of active capital, 200 million euros of annual incomes and profit of at least 20 million euros in last two years.

TPP Negotino, the second largest power producer in the country, currently uses expensive fuel oil for power production and, because of that, the price of produced electricity is relatively high with 6.5 eurocents per kWh.

Experts believe that TPP could be redesigned to use natural gas or coal as engine fuel in order to become more profitable and competitive.

§ § §

Losses of 390 GWh electrical energy of in 2005th (Montenegro)

In 2005th, the gross energy consumption in Montenegro reached 42.93 petajoules (PJ), out of which 22.61 PJ of primary energy was produced (hydro energy, coal and biomass) and 20.32 PJ of final energy was imported (oil derivatives and electrical energy). The data was published by the Association of energy, metal industry and mechanical engineering in Chamber of commerce of Montenegro.

The losses in energy transformers and transmission power network and costs for transport of other energy sources to the customers were 11.62 PJ or 3.2 TWh.

The majority of those losses were related to the thermal power plant Pljevlja. The losses in power distribution network reached 9 % or 390 GWh of overall consumption of electrical energy. Those were actual technical losses without including non-measured and non-billed power losses, and the worth of the losses was 17 million euros according to the present average prices.

In 2005th, the import of final energy in Montenegro increased by 11.8 %, while in the same time consumption of energy increased by 2.3 % and domestic production of primary energy decreased by 7.7 %.

The main problems for Power utility of Montenegro (EPCG) were the low price of electricity, low collection rate of power bills and considerable power losses. The investments in revitalization and modernization of power system in whole were considered as insufficient.

In period January – February this year, the production of electrical energy was 16 % higher comparing to the last year and 11.1 % higher than planned, while the electricity import was in accordance to the preliminary plans. The consumption in distribution network rose by 4.4 % and in transmission network by 1.4 %, the report of Chamber of commerce showed.

§ § §

1.5 million euros for renewal project in coalmine Pljevlja, coal production 5 % lower than plan (Montenegro)

Officials from coalmine Pljevlja announced 1.5 million euros of investments in the renewal projects.

The period of regular maintenance works in thermal power plant (TPP) Pljevlja until end of May, will be used for the renewal of the

In the first three months this year, coalmine Pljevlja produced 370,000 tons of coal, 5 % below the plan. 345,000 tons were delivered to TPP Pljevlja, which was 9 % below the planned amount.

Board of director was satisfied with the achievements in the aforementioned period, despite the problems of illiquidity and lack of space for storage of used coal.

Those problems could lead to the standstill in TPP Pljevlja and coalmine, which could seriously endanger power system of Montenegro, officials say.

The debts of the Power utility of Montenegro (EPCG) toward the coalmine were 29 million euros in the end of March, and board of directors demanded for immediate paying of debts.

The lack of funds in coalmine has caused delays in opening of new pits, the renewal works have been lagging and mining and transport equipment have had inadequate technical quality.

§ § §

Tender for 15 small-sized hydro power plants (Montenegro)

Minister of economy of Montenegro announced that government would publish a tender for granting concessions for construction of 15 small-sized hydro power plants (HPPs).

The construction of HPPs should start by the end of the year at the sites determined by the strategy of development of small-sized HPPs, adopted by the government of Montenegro in mid March.

According to strategy, 70 HPPs with overall power output of 240 MW should be built, which is the amount equal to the amount of imported electrical energy in the country. Montenegro sees the small-sized HPPs as the future trend in power production. Until 2015th, the share of produced electrical energy in small HPPs should be increased at 2.5 to 4.2 %, and the average power bills will be 2 % higher.

The projects for construction of HPPs will be entitled for access to EU pre-accession funds, i.e. the Instrument for Pre-Accession Assistance (IPA). IPA program replaces CARDS program and it was designed to help the candidate countries in the period 2007th until 2013th. Montenegro should appoint national coordinator for the cooperation with IPA very soon. IPA representatives should visit Montenegro on May 11th.

Until September this year, government should adopt the strategy of energy development in Montenegro until 2025th, by which the legal framework for the energy development would be completed. As a reminder, new energy law and strategy of energy efficiency was adopted and the Regulatory energy agency was established.

§ § §

Increase in electricity prices by mid-year, EPCG said there would be no lacks in supply (Montenegro)

The price of electrical energy for the households customers in Montenegro should be increased in second half of the year, director of Regulatory energy agency (REA) announced.

After REA approves the regulated incomes for Power utility of Montenegro (EPCG), the new prices of electrical energy would be known. The price of electrical energy should be continually increased in the five-year period in order to increase the price from current 4.2 eurocents per kWh up to 10.7 eurocents per kWh.

In the same time, director of EPCG said that power supply during the incoming tourist season would be stable. The problem could arise only in city of Kotor, and the construction of power line Tivat –Kotor should be finished by the end of the year as well as the new substation in Kotor.

EPCG has been continuing the revitalization and modernization of power network, director confirmed.

§ § §

Contour Global offered to PPC to join bids for TPP and coalmine Pljevlja (Montenegro)

According to the unnamed sources from coalmine Pljevlja, USA company Contour Global has offered to Greek Public power corporation (PPC) to join their bids in the tender for purchase of thermal power plant (TPP) Pljevlja and 31 % shares in coalmine Pljevlja.

Americans believe that two companies together would easier fulfill tender terms: the construction of second unit in TPP, installation of natural gas network in the city and construction of cement factory.

It is believed that US company is highly interested for 300 million tons of cement rock reserves in coal mine Pljevlja. According to their calculations, the price of cement produced in Pljevlja could be even 50 % cheaper than from other producers in region.

The most serious competitors in the tender to Contour Global and PPC should be Russian company EN plus (offshore company of Rusal) and Czech CEZ.

§ § §

EPCG plans to import 846 GWh of electricity in 2006th (Montenegro)

Power utility of Montenegro (EPCG) should import 846 GWh of electrical energy in this year, which should be 18 % of overall consumption in the country.

According to estimations, overall power consumption in 2006th should reach 4,630 GWh, and the necessary electrical energy will be provided from hydro power plant Perucica (890 GWh), thermal power plant Pljevlja (1,070 GWh) and from small-sized hydro power plants (29 GWh).

About 1,580 GWh would be provided through the long-term ex-

turn operates EPCG's HPP Piva (300 MW power output). HPP Piva should produce 762 GWh in 2006th.

The estimation on power consumption was made according to the direct requests of large industrial customers, the Aluminum factory (KAP) , Steel factory and Montenegro Railways, while the consumption in power distribution companies was calculated according to the trend lines in last three years.

KAP should spend 1,900 GWh, and EPCG would deliver 1,200 GWh, while the rest would be provided by KAP trough the contracts with other foreign suppliers. Annual power consumption of Steel factory in Niksic should reach 186 GWh.

Regulatory energy agency (REA) still has not defined the level of the regulated incomes for EPCG and new electricity tariffs in 2006th.

The constant problems for EPCG still is the low collection rate for delivered electrical energy, low prices of electricity delivered to KAP (2.044 eurocents per kWh) and Steel factory (2.5 eurocents) and high losses in distribution network.

EPCG still needs to finalize the complete functional restructuring in the company by adopting the new legal framework.

§ § §

Tender for construction of unit 3 in NPP Cernavoda, government propose simultaneous construction of unit 4 (Romania)

The feasibility study for construction of unit 3 in nuclear power plant (NPP) Cernavoda has been finished and ministry of economy and commerce should publish the new public invitation for the interested companies willing to participate in the project. The feasibility study includes data regarding the construction of unit 4 also.

Unit 3 will be built by the private investors and one of the interested companies is the Nuclearelectrica, the current operator of the NPP. Nuclearelectrica plans to invest the land and utilities in the project. Initial plans predicted that construction of unit 3 should start this year and it should be finished in 2012th, for which about 1 billion euros should be invested.

Ministry of economy has received twelve letters of intention regarding the project and several companies have been selected during the previous tender procedure in 2004th : NM Holding, Enel and Ansaldo from Italy, AECL from Canada, Hidro Nuclear & Power from South Korea, Tender Group from Romania and AEFM.

New tender procedure will allow other interested companies to place the bids together with already selected companies. The selection procedure should be launched in May.

Ministry of economy decided to propose simultaneous construction of units 3 and 4 trough the joint venture with private investors, having in mind that feasibility study showed that this option could be the most profitable.

The funds of 2.2 billion euros will be necessary to provide to

units 3 and 4 would reach 100 million euros, while the threshold price of electricity produced in those units should be 30 to 35 euros per MWh with 9 to 11 % profit rate.

In February this year, general manager of Nuclearelectrica also confirmed that simultaneous construction of two units was most likely to happen. General manager said that Nuclearelectrica could invest own funds for the completion of the project.

In March 2006th, Deloitte & Touche should have delivered the feasibility study for Nuclearelectrica regarding the simultaneous construction including the joint venture option for construction, having in mind the international tender.

In March 2004th, European Commission has approved a loan under EU Euroatom Treaty to Nuclearelectrica for the construction of unit 2. The worth of loan was 223.5 million euros and it was mostly aimed to introduce the international environmental standards in the NPP.

NPP Cernavoda was designed to have 5 units Canadian type technology CANDU, each with 700 MW power output. In this moment, only one unit was operational providing 10 % of Romanian power consumption,

The unit 2 should be operational from March 2007th and in that moment NPP Cernavoda will have provided 18 % of power consumption in Romania.

When the units 3 and 4 become operational, the 40 % of Romanian power consumption will be provided from nuclear energy. The rise in nuclear power production should reduce the production of electrical energy in conventional thermal power plants by 15 %, which should reduce environmental pollution.

Director of National Commission for the Control of Nuclear Activity (CNCAN) said that Romania have to find solution for storage of used nuclear fuel from the future plant. In this moment, Romania has only one storage facility for low and medium radioactive waste located in Baita, Bihor County. The storage capacity of Baita facility is 4.4 million liters.

The storage facility of smaller dimensions exists in NPP Cernavoda, where the waste could be stored for 60-year period.

In the related news, finance ministry has been authorized to sign the initial 10 million euros worth short-term emergency loan that will be used for completion of construction of unit 2 in NPP Cernavoda.

The construction of unit 2 has been considered as the highest priority for Romania in this moment.

In the further stages of the project, another 95 million euros loan needs to be invested for purchase of heavy water and 122 million euros loan will be spent for carrying the works, which is the overall amount of 227 million euros necessary for completion of the construction of unit 2 in NPP.

The first operational tests in unit 2 have been scheduled for December this year.

§ § §

February 2006th (Romania)

The electrical energy production in Romania in first two months in 2006th reached 11.451 TWh, which was 0.456 TWh or 4.1 % higher comparing to the same period last year.

According to the National Statistics Institute, 7.736 TWh was produced in thermal power plants (2.4 % increase), 2.713 TWh in hydro power plants (increase of 3.4 %) and nuclear power plant Cernavoda produced 1.001 TWh of electrical energy (22.8 % increase).

In the same period, Romania has exported 1.203 billion KWh .

The consumption of industrial customers reached 6.894 TWh or 59.3 % of overall power consumption, 1.537 TWh was the consumption of households customers (13.2 %), and 0.126 TWh (1.1 %) was used by the public lightning.

§ § §

EFT invests 100 million euros in power production projects (Romania)

The Energy financing team (EFT), has announced a start of 100 million worth Greenfield investment projects in thermal and hydropower production in Romania in the next two years.

EFT is the one of the most important energy traders in South-eastern and Central Europe.

General manager of EFT explained that company tended to vertical integration and development of their own power production facilities. He did not want to reveal any further details on the projects.

EFT official believes that beside Bosnia and Herzegovina, Romania has the best environment for the investment in electrical energy sector.

In 2006th, the first year of official operation of EFT's registered office in Romania, company has estimated 20 million worth sales contracts in the domestic market.

Since 2001st, EFT has been exporting electrical energy from Romania, in cooperation with power production companies Hidro-electrica or Termoelectrica.

In 2005th, EFT Group has reported turnover of 420 million euros.

§ § §

Seeking for private investors for undersea power cable toward Turkey (Romania)

Romania's economy minister and his Turkish colleague announced to support private investors interested for financing the construction of high voltage undersea power cable between Romania and Turkey.

the national transmission system operators Transelectrica and Teias

The worth of the project was estimated at 400 million euros and it could be finished in two-year period. An opportunity study on the power cable has been recently finished, and two countries have agreed that cable would have power capacity of 1,000 MW.

The cable will be long 400 km and it will connect Romanian Black Sea port Constanza and Pasakoy in Turkey. The cable would be primarily used for exchange of power surpluses of two countries.

In addition, there is an option for transport of electrical energy from Turkey across Romania toward Serbia, Hungary, Slovakia and Poland. Another option predicts transport of electricity from Russia, across Ukraine and Romania toward Turkey.

The next phase of the project will be related to the feasibility study with the deadline of six months. Two options for financing the study have been at stake in this moment. The first option predicts that Romania and Turkey should finance the entire study.

The second option would include the Sweden in financing the study, proposed by the Swedish government. This option will be discussed during the visit of economy minister of Romania to Sweden in May.

§ § §

Renewal of TPP Mintia (Romania)

Romanian government has allowed the trade company Electrocentrale Deva SA to sign the loan contract for renewal of unit 1 (210 MW) in thermal power plant (TPP) Mintia Deva.

The loan payments should be provided by Electrocentrale Deva SA by its own funds.

The loan should provide the part of the funds necessary for the urgent repair works, that could not be delayed anymore due to large number of hours of operation and the expiry of the equipment guarantee (21.7 million worth. delivered from Russia).

The renewal project should be completed in three years period.

§ § §

Rompetrol's profit to be used for covering of losses (Romania)

Board of director Rompetrol has decided to transfer the 95 % of the profit achieved in 2005th to cover the accounting losses from the previous several years.

The Rompetrol's refinery in Constanta, the Rompetrol Rafinare has achieved 77.2 million euros of profit in 2005th, which was 700 % higher profit comparing to 2004th. The refinery achieved 1.6 billion euros turnover, which was 23.9 % higher comparing to 2004th.

In the same, several media scandals regarding the Rompetrol Rafinare have caused high fluctuations of the worth of company's shares.

§ § §

Oil terminal in Constanta doubled the profit in 2005th (Romania)

Oil Terminal in Constanta port, in Southeastern Romania, the largest Romanian port terminal, has reported 2 million euros of net profit in 2005th, which was 100 % increase comparing to the 2004th.

Oil terminal, one of the largest in Southeastern Europe and important strategic point in Black Sea, is involved in storage and shipping crude oil, oil derivatives and liquid chemicals.

About 75 % of Romanian crude oil production and the entire production of chemical products intended for export has transited through the oil terminal in Constanta.

In 2006th, company plans to invest funds for purchase of equipment for cleaning polluted lands, the installation of new IT management system, construction of new storage facilities and for modernization of loading-unloading equipment at the port.

§ § §

Privatization procedure for NIS starts in autumn (Serbia)

Privatization advisor Merrill Lynch should present the draft strategy paper on the privatization of Oil industry of Serbia (NIS) to the government of Serbia in the beginning of May. According to the finance minister, tender procedure should be launched in autumn.

In the speech made at the Faculty of economic, minister revealed that NIS would be most likely privatized in two phases. Certain amount of the shares would be sold, another part of the shares would be divided to the employees, and the part of the company would be recapitalized. The second phase of privatization should start in the next three years and the state should preserve 51 % of the ownership rights in NIS according to minister.

It is estimated that NIS needs 300 millions to 1 billion euros of funds in order to improve business performances and to resolve environmental problems in the neighborhood of the refineries.

Serbian government has published the tender for privatization advisor of NIS in August last year, while the advisor was selected in January this year.

§ § §

Government helps to EPS with over 100 million euros (Serbia)

Government of Serbia has decided to use the budget funds of 116 million euros for covering the losses in Power utility of Serbia (EPS).

Government will provide financial support to EPS through the reprogramming of EPS's obligations toward the state and some foreign financial institutions, which will result with the lower budget incomes.

According to the announcements, EPS would not be obliged to pay 53 million euros of debts toward the state, i.e. the 25 million euros for the paid interested rates to the Paris and London Clubs, as well as 28 million euros borrowed by the state in 2002nd for the renewal works.

Government will provide another 45 million dollars for this year loan payment to the Chinese lenders. Another 18 million euros, state will provide for the purpose of expropriation of land that will be used in coal production.

Business plan of EPS for this year has built-in 300 million euros of losses due to refusal of the government to allow 20 % increase in electricity prices starting from January 1st this year. Government allowed 15 % price increase starting from April 1st.

According to the estimations, funds granted by the government will not solve the problems of EPS in the long-term, having in mind that national company will have to start loan payments of 240 million euros, after three years of grace period, along with other loan payments.

§ § §

New financial management accounting system in EPS (Serbia)

Hewlett Packard has won the project for implementation of new financial management accounting system in Power utility of Serbia (EPS). This was announced during the HP ISE Utility Roadshow conference in mid March.

The project should be carried out in the one-year period, it will be based on latest technologies and methodologies, and the management will have complete insight into the full financial operations of the company. The project includes implementation of mySAP ERP software related to the financial management.

New integrated accounting system of EPS will improve the business performance and it will increase the market value of the company. Hewlett Packard will be main leader in the project with the subcontractors SAP, Digit and Aicon.

§ § §

Government approved 155 million euros for modernization projects in NIS (Serbia)

Management board of Oil industry of Serbia (NIS) has reached several decisions regarding the modernization projects and business activities of the company.

After imposing the urgent measures for the reduction of environmental risks in the oil refineries in Pancevo, management board has reached decision on initiating the long-term capital investments of 155 million euros for carrying out the Action plan

Management board has also adopted new model for investment management, which should provide more efficient and faster completion of development projects.

At last, board has decided to continue the projects for reduction of operational risks in the company, after completion of the first phase. By Introduction of RIMAP (Risk Based Inspection and Maintenance Procedures) system, NIS should continue to reduce the level of potential incidents in accordance to EU standards.

RIMAP system, led by the EU, will enable the prerequisites for improvements that should increase the safety and efficiency of the facilities in company.

§ § §

Tenders:

Electricity

Company / organization:	EBRD, related Romania
Content:	<p>Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress</p> <p>The Kazakhstan Electricity Grid Operating Company (KEGOC) has received a loan from the European Bank for Reconstruction and Development, and it intends to use part of the proceeds of the loan for payments under the contract for consulting services for Management and Monitoring of Construction Contract implementation process. The assignment is expected to be carried out in three Phases as described below.</p> <p>Phase I</p> <p>1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.</p> <p>1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.</p> <p>1.3 Final review and approval of the made up design estimates for the construction of 500 kV OTL 500 kV Agadyr SS- 500 kV YuKGRES SS.</p> <p>Phase II</p> <p>2.1 Managerial and monitoring support during contracting.</p> <p>2.2 Analyses of the results of the tests performance for the quality conformance of the equipment and materials supplied under the project to the quality and technical characteristics operated together with KEGOC JSC specialists. Tests results evaluation.</p> <p>2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.</p> <p>2.4 Environmental measures monitoring during implementation of the construction and erection works.</p> <p>2.5 Verification of implementation according to the PIP and review of any changes to the PIP.</p> <p>2.6 Verification of the proper use of available funds.</p> <p>2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.</p> <p>Phase III</p> <p>3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Re</p>

Company / organization:	EPS, 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 tra-n-sformer stations for the needs of the maintenance and re-construction of electric power facilities situated in the ELEK-TRODISTRIBUCIJA - BE-GRAD d.o.o. zone of operation for a period of three years (2006/2008). The total dinar value of the planned procurement is 600,000,000 dinars
Contact:	Milos Hadzic, Tel: +381 11 3471-572

Company / organization:	Steam Power Plant Ugljevik - AD Ugljevik, related Republic of Srpska
Construction works on overhaul of block in steam power plant Ugljevik	
Deadline:	3. 5. 2006, until 10:00 hrs, local time
Contact:	Mrs. Vaselec Milka Tel: 055/774-600 Fax: 055/771-183

Company / organization:	Elektrodistribucija Pale, related Republic of Srpska
Works on reconstruction of 10 KV unit substation 35/110KV, delivery of new equipment and its installation into existing unit	
Deadline:	5. 5. 2006, until 11:00 hrs, local time
Contact:	Mrs. Savic Radmila Tel: 057/224-832 Fax: 057/224-832 E-mail: komercijala@edbpale.com

Company / organization:	EPS, related Serbia
PURCHASE OF VALVES for needs of capital overhaul in Steam Power Plant Nikola Tesla	
Deadline:	
Contact:	Jelena Mihajlovic, phone number: 011/875-50-11, extension 321.

Company / organization:	Assembly of City of Kragujevac, related Serbia
CONSTRUCTION SMALL HYDROELECTRIC POWER PLANT on Accumulation Lake Gruza	
Content:	The City of Kragujevac intends to award the contract for construction of 80 kW small water power plant on Accumulation lake "Gruza" in the village of Pajsijevic (Knjic), Republic of Serbia. The procurement will be co financed from the funds of EU "CARDS" programs. Description of contract (subject of procurement): production of the main project design, execution of construction works, supply and installation of machine and electric equipment, commissioning and production of as built drawings. Tender documents (in English) can be obtained from the office of the City of Kragujevac, City Administration for Economy and Finances – Public Procurement Unit, till April 25, 2006, at the latest, during working days from 7:30 till 15:00 h, against presentation of proof for payment of non-refundable CSD 5,000.00 to account no 840-135647-05 at UT – Branch office in Kragujevac, ref. no. 97 64-049-4000, purpose: "Purchase of tender documents for construction of small water power plant on the Lake of "Gruza". Informative meeting with potential tenderers will be held on April 26, 2006, in room 105/1 of the Assembly of the City of Kragujevac at 11:00 h, and after that an organized visit to the location of construction site will be organized.
Deadline:	15 May 2006 at 12:00 local time

Contact:	Tel (381 34) 306-103 or 306-287, Fax 333-146, e-mail: sukkg@EUnet.yu
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Company / organization:	EAR, related Croatia
Investment for national measurement laboratories (electrical quantities, roughness, density)	
Content:	The purpose of this project is to supply calibration and testing laboratories with equipment and relevant measurement standards so they can perform testing and certification in accordance with relevant EU legislation Lot 1 – Equipment for solid density determination Lot 2 – Equipment for roughness determination Lot 3 – Measuring equipment for electrical quantities (Thermoresistance)
Deadline:	08 May 2006, at 10:00 (CET)
Contact:	delegation-croatia-tenders@cec.eu.int

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
Power Transmission - Goods, works, services	
Content:	Natsionalna Elektricheska 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, Serbia
Call for offers for consulting services regarding restructuring of the EPS power utility	
Content:	Study shall contain the analyses, opinion and recommendations regarding: <ul style="list-style-type: none"> - 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 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: <ul style="list-style-type: none"> (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, 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, or 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:	EBRD – European Bank for Reconstruction and Development, related Serbia
Emergency Power Sector Reconstruction Project Measuring Equipment for Electricity Distribution Companies	
Content:	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>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> <ul style="list-style-type: none"> 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
Deadline:	15 May 2006 at 10:00, local time
Contact:	Mr. Nikola Rakić Tel: 381 11 361 1251 Fax: 381 11 688 835

Company / organization:	European Investment Bank- EIB, related Bulgaria
Procurement of 220 kV equipment in several lots	
Content:	The Natsionalna Elektricheska Kompania (NEK EAD)(hereinafter referred to as "the Borrower) has received a loan from the European Investment Bank- EIB (hereinafter referred to as "the Bank") toward the cost of Project "Energy 2".This International Invitation for Bids relates to the contract for procurement of 220 kV equipment for rehabilitation of transmission network This contract will include procurement of 220 kV equipment according to IEC standards in lots as follows: - Lot 1 Circuit breakers - Lot 2 Disconnectors - Lot 3 Current transformers - Lot 4 Voltage transformers - Lot 5 Combined transformers - Lot 6 Surge arresters
Deadline:	June 15, 2006 at 12:00, Sofia time
Contact:	Mrs Ludmila Vitanova Tel.+359 2 9263552 Fax: +3592 9861288 Email: lvitanova@nek.bg

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 supervising the implementation of construction works under FIDIC Yellow conditions 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 400.000 euro
Deadline:	29 May 2006, 16:00, hrs, local time
Contact:	Central Finance and Contracts Unit (CFCU), Ministry of Public Finance, Mircea Voda Avenue, no.44, B entrance, Sector 3, Bucharest, Romania Phone: + 40 21 326 55 55 (switchboard) Fax: 00 40 21 326 87 30 / 326 87 09

Company / organization:	EAR, related Bulgaria
Assistance to the Bulgarian Nuclear Regulatory Agency (BNRA) in capacity building in the areas of regulatory guides, assessment capabilities, staff training and quality management	
Content:	As a part of PHARE program, the aim of the present project is to provide EU experience in the fields of development and enforcement of regulatory safety guides, performing safety assessments and review of licensee safety documentation, and improvement of BNRA self sustainability in drawing regulatory training programs. An additional focus is placed on the improvement of BNRA capacity through staff training, transfer of knowledge and capabilities, improvement of BNRA regulatory requirements, assessment capabilities and practices, including quality management systems in respect to the enforcement of the New Act on the Safe Use of Nuclear Energy. The transfer of knowledge and capabilities will allow the BNRA to handle the above-mentioned issues by itself in the future and actively contribute to the continuous improvement of nuclear safety and radiation protection in the community. Indicative Maximum budget EUR 1 050 000

Deadline:	19 May 2006, 16:00, hrs, local time
Contact:	Central Finance and Contracts Unit (CFCU) Ministry of Finance, 102 Rakovski St., 1040 Sofia, Bulgaria

Company / organization:	EAR, related Kosovo
Studies to support the development of new generation capacities and related transmission	
Content:	The contract should provide a knowledge base for decision makers in Kosovo and potential bidders for new thermal generation capacity in Kosovo. The activities to be performed through the contract include a power market analysis (based on regional and domestic demand and supply forecasts, and an assessment of potential off-take opportunities for the new power plant); a transmission system impact assessment, including regional transmission system assessment and its development plans up to 2020, and analysis of the impact of the new power plant on the local and regional transmission networks; and new power plant siting (including environmental and social impact), technical analysis (including technology and unit size review), economic and financial analysis, and development of a work plan for new generation capacity.
Deadline:	6 June 2006, 17:00, hrs, CET
Contact:	The European Agency for Reconstruction Procurement Unit Attn: Head of Procurement Unit 1 Kosova street, Pristina, Kosovo – UNMIK Tel: +381 38 51 31 200

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
Sofia District Heating Rehabilitation Project - Supply of Frequency Converters and Associated Services for Sofia East Power Plant	
Content:	This Invitation for tenders follows the General Procurement Notice for this project, which was published on EBRD' Web site on 30 January 2006. Toplofikacija Sofia AD hereinafter referred to as the Purchaser, intends using part of the proceeds of a grant from the Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (the Bank), towards the cost of Sofia District Heating Rehabilitation Project. The Purchaser now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the grant for supply of four VFD (Variable Frequency Drive) systems for the engines of existing network pumps and associated services including related installation works.
Deadline:	1 Jun 2006 at 14:00, Sofia time
Contact:	Mr. Vassil Petrov, Ph.D. Fax + 359 (2) 958 1264 Phone +359 (2) 8598166

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Oil and Gas

Company / organization:	INA, related Croatia
Down hole production equipment	
Deadline:	May 03, 2006 at 11.00 hrs, local time
Contact:	Mrs.V. Bigač, tel. +385 1 6451050, fax: +385 1 6452048, e-mail: vlatka.bigac@ina.hr

Company / organization: **INA, related Croatia**

API Sucker Rod 5/8" x 25 ft and API Sucker Rod 3/4" x 25 ft. Grade D, for mild corrosive conditions

Deadline: May 30, 2006 at 11.00 hrs, local time

Contact: Mrs.V. Bigač, tel.+385 1 6451050, fax:+385 1 6452048, e-mail: vlatka.bigac@ina.hr

Company / organization: **INA, related Croatia**

Spare parts for MUR equipment (SN-588/06)

Deadline: May 25, 2006 at 11.00 hrs, local time

Contact: Mrs.S.Milas, tel: +385 1 6451010, fax: +385 1 6452048

Company / organization: **INA, related Croatia**

Well head & X-MASS tree complete assem. 10 000 W.P. & 5 000 W.P.

Deadline: May 05, 2006 at 11.00 hrs, local time

Contact: Mrs.V. Bigač, tel.+385 1 6451050, fax:+385 1 6452048, e-mail: vlatka.bigac@ina.hr

Company / organization: **INA, related Croatia**

PCP Downhole Pumps for Oil Well according to technical specification no. 083/06 - SP

Deadline: May 10, 2006 at 11.00 hrs, local time

Contact: Mrs.V. Bigač, tel.+385 1 6451050, fax:+385 1 6452048, e-mail: vlatka.bigac@ina.hr

Company / organization: **INA, related Croatia**

Plungers for Subsurface Sucker Rod Pumps according to technical specification no. 069/06 - SP

Deadline: May 3, 2006 at 12.00 hrs, local time

Contact: Mrs.V. Bigač, tel.+385 1 6451050, fax:+385 1 6452048, e-mail: vlatka.bigac@ina.hr

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Coal

Company / organization: **HEP, related Croatia**

Supply of Steam Coal

Content: Steam Coal in the quantity of approx. 195.000 metric tons

Contact: Hrvatska elektroprivreda d.d. Mr. Dalibor Blazevic fax 00385-1-6171-296 e- mail: dalibor.blazevic@hep.hr

RWE Power AG Mr. Stefan Egyptien fax 0049-201-12-22010 e- mail: stefan.egyptien@rwe.com

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