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Contacts:

Balkan Energy News office

<http://NEWS.BalkanEnergy.com>
news@balkanenergy.com

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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OPCOM

1022	Slovenia	2009	1155	1051	978	826
1134		2010	12287	1083	981	1054
1077		2011	12590	955	1051	997

Annual electricity consumption in GWh

Year	Sum	1	2	3	4
2007	11182	1027	891	953	850
2008	11570	1094	998	1012	911
2009	10994	1099	932	963	816
2010	11722	1074	979	1016	910
2011	12186	1155	1038	1075	936
2008	34506	3399	2960	2837	2637
2009	32723	3399	3198	2638	2443
2010	31954	3486	3052	3021	2443
2011	33452	3475	3107	3087	2677
2008	17842	1680	1543	1570	1698
2009	17507	1625	1530	1551	1323
2010	18774	1656	1536	1556	1356
2011	18774	1656	1536	1556	1356
2008	5306	4915	4539	4269	4105
2009	53504	4652	4271	4401	3894
2010	53565	4666	4107	4327	3913
2011	53565	4666	4107	4327	3913
2009	5170	4736	4268	4473	3803
2010	53265	4874	4472	4727	4111
2011	53265	4874	4472	4727	4111
2009	50636	4736	4268	4473	3803
2010	53265	4874	4472	4727	4111
2011	53265	4874	4472	4727	4111

Country Reports on Energy Business in South Eastern Europe

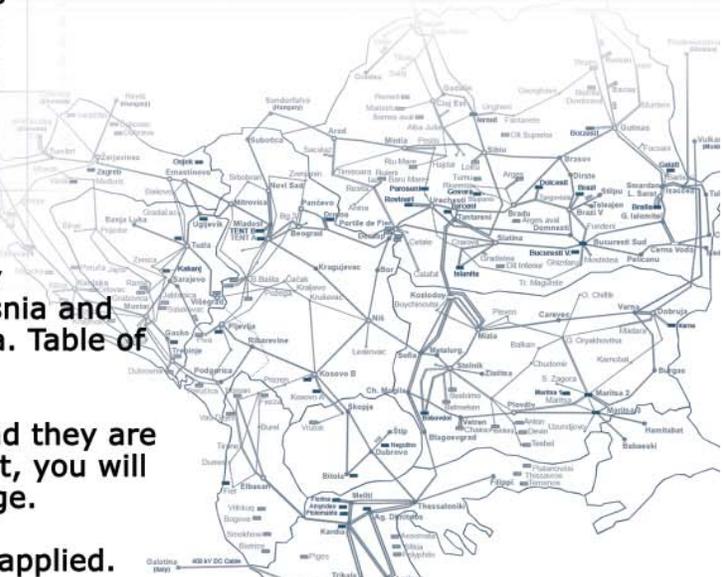
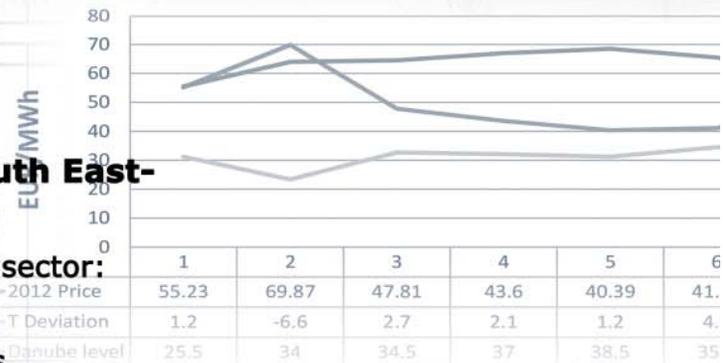
Country reports provide detailed overview of energy sector:

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

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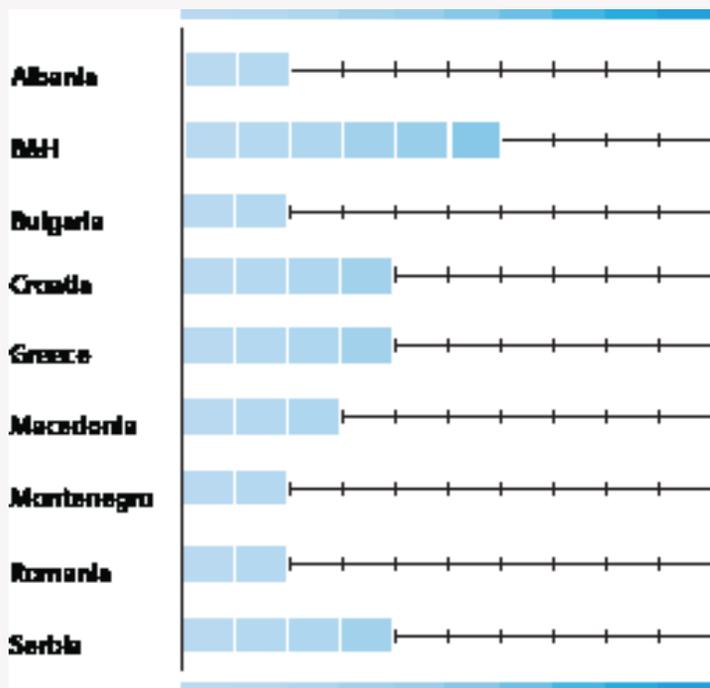
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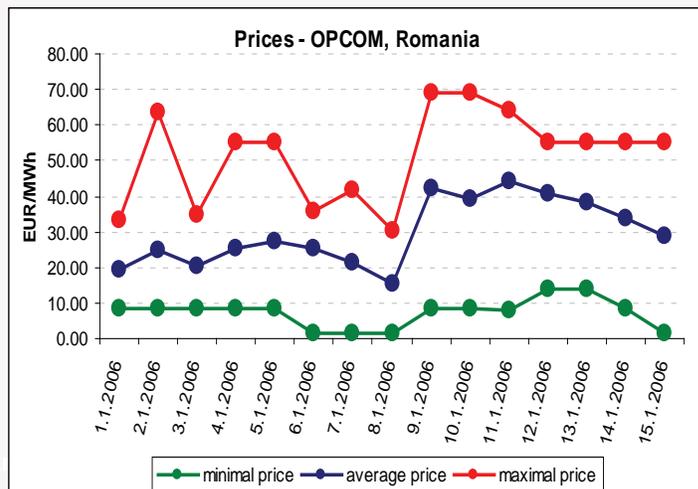
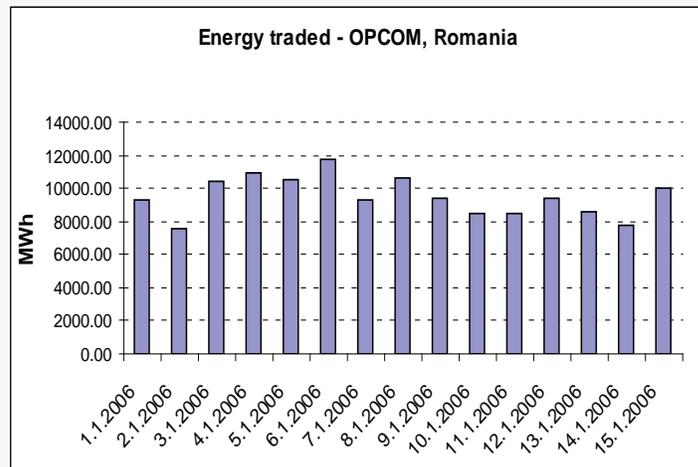
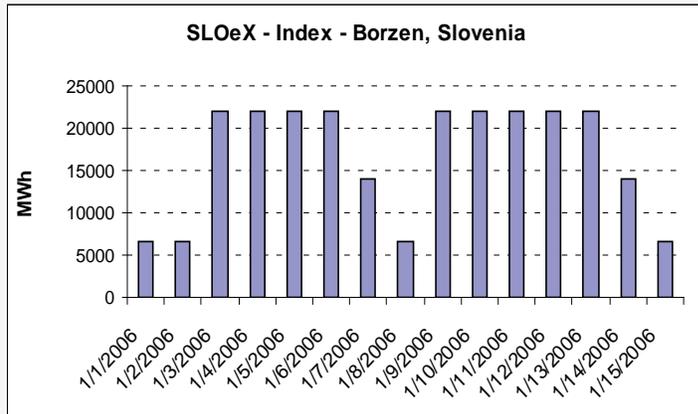
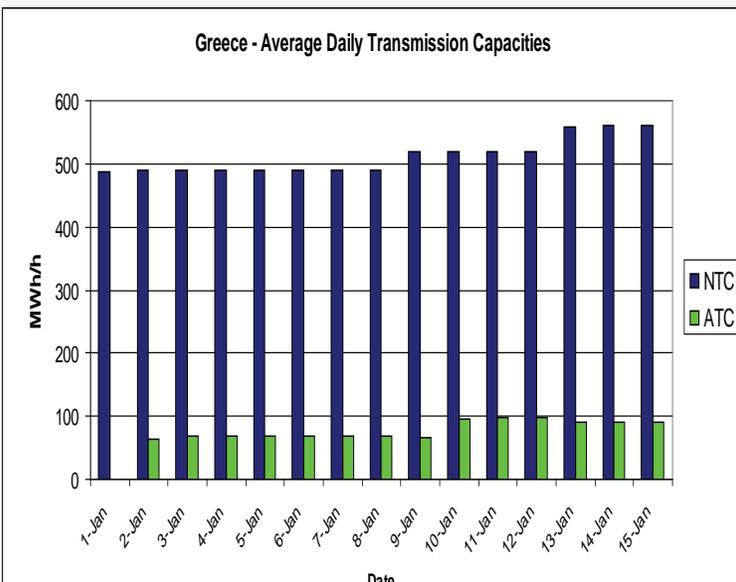
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Forecasts:

Balkan Energy NEWS forecasts on hydrology development and general grade of hydro generation capabilities in next 15 days



Power exchanges data:



Analysis:

analysis.news@balkanenergy.com

New rules for issuing Energy Activities licenses in Serbia

Rules that define issuing and subtraction of licenses for performance of energy activities in Serbia are finally published and operational. Rules are published in official gazette on December 30th 2005 and became operational on January 1st 2006. Rules are subjected to electricity, heat, oil and gas sector. Whole text of official rules are published in the gazette "Sluzbeni glasnik Republike Srbije" No 117/2005.

There are 24 energy activities that are listed in the rules of which following can be of interest to foreign companies and investors in electricity business:

- 1) Electricity generation in power plants with total installed capacity exceeding 1MW.
- 2) Power trading on electricity market
- 3) Power trading for supplying tariff consumers

Requests for licenses have to be submitted to Energy Agency with official forms that, among other data, contain following:

- 1) general data about legal person (company) submitting request
- 2) evidence of having competent employees within a company that can perform energy activity
- 3) name of the company
- 4) address
- 5) registration number, tax number
- 6) responsible person
- 7) registration number in domestic (Serbian) registry of legal persons (companies)

That means that only companies registered on the territory of Serbia can obtain a license for performing any of energy activities, because company registration and tax numbers can be obtained only for companies that have registered address (office) in Serbia. This was expected since this is the case with almost all other countries in Southeast Europe. Every trading company is then facing to a problem because it need to have registered office and license for energy activity in every country where it is going to perform business. Since Serbia is geographically in the center of the region and practically inevitable for performance of transits, it can be expected that lots of power trading companies are going to register an office in Serbia too. Fortunately, registration requirements do not imply significant fees and deposits. Domestic company establishing capital amounts only 500 EUR, what is considerably lower than in most countries in West Europe. In Serbia VAT is 18%, import tax is 18% and profit tax is 10%. Profit tax is the smallest in Europe because government is trying to attract foreign investors by low profit tax.

Prices for obtaining a license are still not known, so in following period Energy Agency will determine them at the time when it is issued. Pricing criteria should be issued by the Energy Agency soon.

All companies that currently perform any of energy activities must obtain a license from Energy Agency in next six months (till June 30th 2006). As usually, domestic utilities will be first that will obtain a license for energy activities. Soon later, there will come power traders, qualified consumers and independent power producers.

The Serbian Regulatory body, the Energy Agency, was established in May 2005. The Parliament voted five members of the Council, who are the managers of the Agency. However, it is still being established and is envisaged to become an independent institution, similar to its counterparts Europe wide. In operational sense, the Law secures its independence, though, the Government, together with the Ministry of Energy, has sustained considerable level of influence-especially the most powerful tool – final word on tariff prices. EAR funds this Project and will continue to secure high salaries to the Agency's Board and staff. It is very keen on obtaining the independency.

The Energy Agency performs following activities:

- tariff systems for power and natural gas for tariff consumers;
- tariff systems for access to and use of the power transmission or gas transportation;
- determine the methodology for defining tariff elements for the calculation of the price of power and natural gas for tariff consumers;
- determine criteria and methods for determining costs of connection to the energy transmission and distribution system;
- issues licenses for conducting energy activities;
- approves Grid Code(s) and the Electricity Market Code;
- determines the minimum annual energy consumption needed for obtaining the status of an eligible customer

Serbian Energy Agency contact info are below:

Name: The Energy Agency of Republic of Serbia
(Ser. : "Agencija za energetiku Republike Srbije")

Address: Terazije 5, 5th Floor, 11000 Belgrade

Telephone: +381 11-3225-760; +381 11-3225-763

Fax: +381 11-3225-780

e-mail: aers@aers.org.yu
www.aers.org.yu

News:

US Chevron plans to build pan European oil pipeline (Region)

According to the information published in Serbian medias, US company Chevron has been considering the option for the financing of the pan European oil pipeline between Romanian port Konstanza and Italian port Trieste, over the territory of Serbia and Croatia.

Chevron, former Chevron Texaco, is the second largest company in United States. The company has ownership share in more than 19,000 petrol stations under the names Chevron, Texaco, and Caltex and employs over 65,00 workers.

§ § §

KESH signed contracts for the import of electrical energy with EFT and EGL (Albania)

Albanian power corporation (KESH) has signed two contracts for the import of electrical energy with the companies EFT from London and EGL from Switzerland.

The both contracts are related to the power import in the first quarter of 2006th and KESH plans to sign other contracts very soon.

According to the contract, EFT will deliver 108,000 MWh for 4,53 million euros or 41,94 euros per MWh.

EGL will deliver 75,000 MWh for which KESH will pay 3,3 million euros or 43,65 euros per MWh.

The prices paid to EFT and EGL are the highest one paid by the KESH for the electrical energy import in the several past years.

On the other hand, British company Interfin, owned by the Albanian businessman Behgjet Pacolli, has offered the electrical energy at the price of 37,91 euros per MWh.

The offer was not accepted and Albanian government was accused for not accepting the offer due the political reasons. The government was

Behgjet Pacolli, president of the Mabetex group with annual incomes of 2,2 billion euros, was born on Kosovo and he has invested in the several projects in the Kosovo and Albania in the last couple of years.

After Albanian government has canceled the tender for the purchase of the electrical energy, it was decided that KESH will buy electrical energy directly from the six participating companies on the canceled tender.

The office of the prime minister has informed the public that tender documentation was incomplete without any specific explanation and details on this issue.

The following companies have participated on the tender:

- InterFin which has offered 582,930 MWh for 22,1 million euros (37,91 euros per MWh)
- EFT which has offered 108,000 MWh for 4,53 million euros (41,94 euros per MWh)
- EGL which has offered 75,600 MWh for 3,3 million euros (43,65 euros per MWh)
- EZPADA which has offered 129,540 MWh for 6,3 million euros (48,63 euros per MWh)
- OST-ELEKTRA which has offered 109,130 MWh for 4,8 million euros (43,98 euros per MWh)
- IKROS which has offered 496,570 MWh for 19,3 million euros (38,87 euros per MWh)

The overall amount of offered electrical energy on the tender was 1,501,770 MWh at average price of 40,17 euros per MWh and overall amount to be paid of 60,33 million euros.

§ § §

German government granted 11,4 million euros (Albania)

German bank KfW Bankengruppe has signed four contracts with the Albanian government regarding the 11,4 million euros worth loans granted by the German government.

Vice-President of KfW, Doris Köhn and Albanian Minister of Finance, Ridvan Bode, attended the signing ceremony.

The part of 9 million euros of loans will be used for the financing of the projects in energy sector.

The loans will be used for the establishment of the guarantee funds for the private power producers and for advisory services for investment projects in the private small-sized hydro power plants.

The German government, represented by the KfW Bank, has been successfully cooperating with the Albanian government since 1988th and it has invested about 310 million dollars so far.

§ § §

KESH again forced on power cuts (Albania)

According to the sources from KESH, power cuts were imposed in the several regions in the country varying from 5 to 9 hours in urban areas and 4 to 14 hours in the villages.

The power cuts have occurred in the first week of January.

§ § §

Extension of the tender deadline for Energoinvest (Bosnia and Herzegovina)

Privatization Agency of Bosnia and Herzegovina (APF) has extended the deadline for the submission of the bids for the sale of the state capital in the Energoinvest. New deadline will be the January 19th.

Energoinvest is the company for the manufacture of the towers for the power lines, and it will be sold through the direct agreement.

The bids will be opened on January 25th in AFP office in Sarajevo. In the same time, direct negotiations should be initiated.

Public invitation for the direct agreement sale was published on November 24th. The main reason for the extension of the deadline is providing the sufficient time for the interested companies to prepare their offers.

§ § §

Negotiations with Alon start in January (Bosnia and Herzegovina)

Government of Republic of Srpska entity in Bosnia and Herzegovina will start negotiations with Israeli company Alon regarding the joint venture with Oil refinery in Brod on January 23rd this year, minister of energy, industry and development said.

The talks between the Alon ,oil refinery and the government should last for three days.

Minister believes that new auditor's report, which verified for about 14 million euros higher losses than it were originally presented on the tender, will not affect the future negotiations with Alon.

According to the minister, Alon was only company that has submitted the complete offer on the international tender. Second bidder, Cyprus company East Point, did not submit the bank's guarantees and its offer was not considered.

Minister said that Alon is ready to invest 151 million in the next two years in order to modernize the refinery and to increase the annual production capacity at 3 million tons of oil. Alon also has plans for the introduction of new oil derivatives that should be sold on the EU markets.

Alon has accepted the establishment of joint venture on 50:50 bases, where the Israelis would be in charge for the management of the new company.

§ § §

Successful operation of TPP Gacko in 2005th (Bosnia and Herzegovina)

Until end of 2005th, thermal power plant (TPP) Gacko has produced and delivered to the power system of Republic of Srpska (RS) entity in Bosnia and Herzegovina, about 1,4 billion kWh of electrical energy.

Management of the TPP was satisfied with the achieved production result, which represented 30 % of overall power production in RS.

During 2005th, there were several interruptions in power production, mainly due to bad weather conditions, which did not affect the production results.

§ § §

Influence of VAT on the price of electrical energy (Bosnia and Herzegovina)

The price of electrical energy in Bosnia and Herzegovina (BiH) will stay the same, but the taxes will be increased by 7 % due to introduction of the new VAT system in this year, so that customers will have to pay higher power bills.

This was confirmed by the Regulatory commission for electrical energy in Federation of BiH (FERK) and Regulatory commission for electrical energy in Republic of Srpska.

Director of FERK said that they have instructed power companies that price of electrical energy had to remain the same in the first three months of this year, but the VAT would have the same effect to the price of electrical energy as to the price of any other commodity.

On other hand, Regulatory commission in RS has been preparing the new tariff system regardless of VAT. The decision of new prices should be brought by the end of January.

New prices will be applied from March 1st or April 1st. According to the officials in RS, there will be no drastic price increases.

On the other hand, sources from the energy ministry of Federation of BiH said that, after the temporary delay of the price increase in the beginning of this year, new drastic price increase would occur in the spring. The price increase will depend on the establishment of the national transmission system operator (TSO), scheduled for the first half of 2006th. It is expected that establishment of TSO on national level could led to the decrease of the price of electricity.

The officials from the Power utility of Federation of BiH said that they were still confused whether the VAT would be paid by the citizens or by the power companies .

§ § §

CEZ wants to invest 1,5 billion euros in ERS (Bosnia and Herzegovina)

Government of Republic of Srpska (RS) entity in Bosnia and Herzegovina (BiH) has welcomed the proposal for the joint investments of the Power utility of RS (ERS) and the Czech CEZ .

The CEZ is willing to invest 1,5 billion euros in the thermal power plant (TPP) Ugljevik and TPP Gacko. The feasibility studies should propose the appropriate model for the investments in the old facilities and possible construction of the second generator units in both TPPs.

The talks between the government of RS and the CEZ regarding the co-operation opportunities have been underway for some time. The ministry of industry should propose the final models for the future investments.

The government of RS has recently approved the transformation of the ERS into the holdings company. The holding has 11 joint stock companies, five production companies and five distribution companies and research center in the East Sarajevo.

§ § §

Hellenic Petroleum builds new petrol stations (Bulgaria & Serbia)

Hellenic Petroleum (HP) has announced the plans for increasing the number of petrol stations operated in Serbia and Bulgaria at 80 in the

The overall capital expenditure (capex) is estimated at 200 millions euros. These investments are in line with the HP's strategic plans.

HP expects that tender for the sale of NIS (Oil industry of Serbia) will be held in the beginning of the 2007th, the result of which will be very important for the HP's future plans. The state of Serbia has chosen the Merrill Lynch to be the advisor in this privatization procedure.

In this moment, HP operates 17 fuel stations in Serbia and 16 fuel stations in Bulgaria. The HP wants to increase the market share in those countries at 10 % in the aforementioned period. According to the plans, 10 new fuel stations will be established each year.

§ § §

Forth power exporter in Europe (Bulgaria)

NETC has achieved the highest ever power export in 2005th of 7,6 billion kWh of electrical energy in 2005th , which was 30 % increase comparing to the 2004th.

The Bulgaria was 4th ranked power exporter in the last year, after France, Czech Republic, and Poland. 70 % of export was carried out over Greece border.

According to the data presented by the Bulgarian transmission system operator (NETC), electrical energy consumption in households in Bulgaria in 2005th was 3% lower than in previous year.

Overall consumption has rise by 2,7 % up to 26,78 billion kWh. The consumption in public sector have increased by 5,8 % comparing to the last year, while the industrial customers have decreased their power consumption due to improving of energy efficiency.

Analyses showed if the electrical consumption was increased by 5 to 7 % in 2007th, Bulgaria would be forced to import electrical energy after the decommissioning of the units 3 and 4 in nuclear power plant Kozloduy and delays in the reconstruction projects in the thermal power plants Maritsa Iztok 1 and 3.

§ § §

Bulgaria rejected the negotiation on new gas prices proposed by Gazprom (Bulgaria)

Bulgaria has strongly opposed the proposal of the Russian state owned company Gazprom to change the agreement on the transit fees for the gas transported toward the Turkey, Greece, Romania and Macedonia over the Bulgarian gas network.

This was said by the Bulgarian energy minister on January 4th.

The Bulgargaz, Bulgarian gas company should send the invoices to the Gazprom by the mid January. Minister said that gas tariffs are market based.

Gazprom has earlier proposed the changes in the tariff fees predicted by the long term agreement that expires in 2010th .

According to the energy minister, the price at which Bulgargaz has bought the gas from Gazprom has risen from 87 dollars in 1998th up to 257 dollars per 1,000 cubic meters in 2005th.

The statement of the Bulgarian minister came as the reaction on the announcement of the Russian ambassador in Bulgaria regarding the adjustment of the gas prices for the Bulgaria in 2006th .

Ambassador said that bilateral protocols between Bulgaria and Russia on the new tariffs will soon be reached. Bulgarian minister denied the existence of any bilateral protocols of such kind.

The problems on the gas prices and further gas trade with Russia could become political issue, Bulgarian minister announced.

§ § §

Appeal for the Nabucco project (Bulgaria)

Bulgaria has requested for the support of the European Commission and Austria to speed up the Nabucco project, the project for the construction of the natural gas pipeline between the Caspian Sea and the Central Europe.

This was information from the Bulgarian energy ministry brought by the Bulgarian media.

Similar appeal came from Romanian officials also after the latest crises caused by the Russian – Ukrainian gas dispute. This dispute has once again pointed out the significance of the Nabucco project, Bulgarian and Romanian officials believe.

Austria, the rotating president of the European Commission, is also involved in the project through the oil company OMV, one the investors in the project. According to the sources, Austria will support the Bulgarian initiative.

Austrian economy minister believe that project could be finished until 2010th. The investors should collect the necessary funds for the beginning of the project until end of 2006th at the latest.

Bulgarian energy minister has announced the meeting with the EU energy commissioner in order to search for the alternative fuel supply routes. The same topic will be discussed at the meeting with the Turkey's colleagues during the visit scheduled later in this month.

It is expected that 3,300 km pipeline will transport 13,5 to 16 billion cubic meters of natural gas per year to the Central and Western Europe. The worth of the project is estimated at 4,5 billion euros and construction works should start in the end of 2007th or in the beginning of 2008th .

For the purposes of the project management, Nabucco Pipeline Study GmbH was established and later transformed into the Nabucco Gas Pipeline International Ltd.

It is the partnership between the Turkish state owned company BOTAS, Bulgarian Bugargaz, Hungarian MOL, Austrian OMV and Romanian Transgas SA. Each company controls 20 % in the company.

Bulgarian officials believe that new pipeline could be alternative gas supply route after recent disputes between Russian Gazprom and Bulgarian Bulgargaz regarding the new gas prices and new transit fees.

§ § §

Lukoil's refinery Neftochim increases the capital worth (Bulgaria)

The worth of capital in the Lukoil's refinery Neftochim, located in Bourgas, will be increased from 6,94 million euros up to 15,64 million euros through the emission of 17 million of new shares.

This would be officially decided at the shareholders meeting scheduled for February 14th.

New shares will have par value of 1 lev (about 0,6 dollars) and issue price of 9,1 dollars. The shares will be assigned to the majority owner, Lukoil Europe Holdings.

The capital raise will imply the non-cash contribution from the 35,000 shares from Siberian oil field ZAO Sever TEK owned by Lukoil Europe Holdings. The worth of those shares is estimated at 245 million dollars.

According to the information, the non-cash contribution is in accordance to the privatization obligations of the majority owner.

During the 2003rd, Lukoil has demanded for instructions from Privatization Agency to present instructions how to fulfill its privatization obligations if the law prohibits the non-cash contributions for the increase of the capital stake in the public companies.

Analysts say that subsequent delisting of the refinery was done in order to make sure that future owner would fulfill its obligations regarding the privatization contract.

§ § §

Russian RAO EES abandoned the contract for TPP Varna (Bulgaria)

Russian state-owned power company RAO EES has abandoned the privatization contract regarding the thermal power plant (TPP) Varna (1260 MW* , officials from the Bulgaria's Privatization agency (PA) confirmed.

The sudden and unexpected change of plans happened couple of hours after the PA approved the 390 million euros worth sale contract. This has possibly opened the option for second ranked bidder on the tender procedure, Czech CEZ, to submit its offer again.

RAO EES has explained its decision with the unfavorable regulatory and environmental terms in the contract.

Bulgarian medias linked this contract failure with the refusal of the Bulgarian government to change the agreement with the Russian gas company Gazprom regarding the transit of natural gas. Bulgarian government, on the other hand, denied any links between those two events.

According to the Bulgarian medias, RAO EES has been trying to abandoned the deal from the very beginning, when they realize that they have placed to high bid that could not be fulfilled.

In official press release RAO has expressed the interest for the cooperation in the other projects with the Bulgarian state.

RAO EES has submitted the bids for the purchase of the TPPs in Rousse (400 MW) and in Varna but the Bulgarian anti-monopolistic authority allowed only one of the bids. RAO EES could now be invited to renew the offer for this TPP.

In October last year, RAO ESS has announced that it will sell the 49 % of the stake in the TPP Varna to the Italian Enel. After the recent developments, Enel has announced that it would participate on the new tender procedure if the PA decided to publish the tender again. Enel's offer was third ranked on the previous tender.

CEZ has also confirmed its interests to negotiate on the sale of the TPP Varna. CEZ has offered 192 million euros for the previous tender and it is ready for the speedy negotiations and signing of the agreement, company's officials said.

Czech power company owns 67 % of the stake in three power distribution companies in Bulgaria,

It is very likely that PA would offer the privatization contract to the CEZ.

The privatization procedure for TPP Bobov Dol also have not been finished yet, which will certainly affect the planned privatization incomes in Bulgaria.

The sale of TPP Bobov Dol was put on hold after the 105 million euros bid from the Greece's PPC was marked as too low.

Aforementioned TPPs represent 20 % of the Bulgaria's overall power output of 10,000 MW.

According to the latest information, State Energy and Water Regulatory Commission (SEWRC) decided that regulatory framework for the operation of the future owners of the thermal power plants in Varna and Rousse would not be changed.

National power grid operator (NETC) will sign the five-year Reserve Capacity Mechanism (RCM) contracts with the future owners of the thermal power plants in Varna and Rousse in accordance to tariffs set by the SEWRC.

§ § §

The potential construction of nuclear power plant (Croatia)

After the announcements from the energy experts regarding the deficiency of electrical energy in Europe in 2008th, EU has started to reconsider the options for the construction of nuclear power plants (NPP).

Although the experts in Croatia are not willing to talk freely on the nuclear energy due to bad image of nuclear power in the public, they believe that Croatia could also resolve its energy problems by constructing the NPP with power output of 1000 MW.

However, construction of the NPP's or the coal fired thermal power plant in Croatia was not foreseen until 2015th, due to political moratorium. The government and the Croatian parliament should approve any changes in the strategy.

Croatia should ratify the Kyoto protocol during this year, after which the construction of the NPP could become the option, some experts believe.

Deputy of minister of industry in charge for energy said that Croatia has not been considering the option for the construction of NPP's seriously, having in mind that Croatian power company (HEP) has been considering the options for the construction of the natural gas-fired thermal power plants.

On the other hand, if the long-term gas supply routes were not secured, Croatia should also reconsider its position on nuclear energy in accordance to the EU recommendations, deputy confirmed.

§ § §

Future privatization of HEP (Croatia)

Although the privatization of HEP (Power utility of Croatia) still is not the official topic in Croatia, many of Croatian experts have started to discuss the potential model of the privatization process.

Experts believe that reforms in European energy sector, especially market opening, would certainly affect the Croatian power sector.

The first, restructuring of the HEP should be undertaken prior the privatization, experts believe. It imply removing the monopoly position and becoming the market oriented company that serves the customers (who

would have opportunity to buy electrical energy on a free market), like any other power company in the Europe.

HEP chairman has quoted the Norwegian example where the power company is 100 % owned by the state, implying that privatization is not always necessary for successful business operation.

HEP chairman believes that HEP should follow the example of the Austrian power utility or EDF (French power company), one of the largest power utilities in the Europe, which remained majority owned by the state.

International experts also believe that majority stake in the HEP should remain owned by the state, because HEP is the strategic company for the Croatia with large influence on Croatian economy.

In this moment, no particular model for the privatization of HEP has been mentioned.

HEP believes that first big step for the company has been made by the reconnection of two synchronous zones through Croatian 400 kV substation Ernestinovo, after which electrical energy trade in Croatia has significantly increased, while the operational safety was improved and the transmission losses have decreased.

HEP has plans for the investments in production facilities that should increase the company's value.

Earlier this year, HEP has signed the memorandum of understanding with Austrian Verbund, because HEP was very interested for their experience in the restructuring and privatization. HEP sees the Verbund's model as most acceptable and closest to the HEP plans. Verbund has privatized 49 % of the company and it has been on the free market since 2001st. Croatian officials believe that experiences of Verbund will be very helpful for HEP. Also, HEP is considering the potential electrical energy import from Austria.

HEP has good business cooperation with the EDF, whose experience could be also used in potential privatization process.

§ § §

Agreement for the gas pipeline Pula –Karlovac (Croatia)

Croatian transmission gas operator Plinacro has signed agreement with Austrian –Italian consortium regarding the construction the regional gas pipeline Pula-Karlovac.

The worth of the construction works on the 195 km long pipeline is estimated at 90 million euros. The works should start in the mid January, while the government has demanded that works should be finished in six months after the signing the agreement.

The same deadline was given to the Croatian oil company (INA) for the construction of the undersea gas pipeline from the gas platform in the Adriatic to the place called Vodnjan from where the gas pipeline will be connected to the regional pipeline Pula – Karlovac.

The construction of both pipelines will enable the gas transport from the gas fields in the Adriatic to the continental parts of Croatia. In this moment this gas has been transported over the Italy and Slovenia to the Croatian territory.

Long-term gasification plan, besides the Pula – Karlovac pipeline, includes the construction of the regional gas pipelines Lucko – Rijeka, Zagreb East – Kutina, and Kutina – Slavonski Brod in the next five years.

The construction will be followed with the installation of the SCADA systems that will monitor and manage complete Croatian gas transport

Plinacro chairman said that Croatia would have 1,657 km of old gas pipelines and 394 km of new gas pipelines.

Second phase of the gasification projects predicted the construction of the gas networks in Dalmacija and Lika regions in Croatia, and the construction of the gas pipeline complex Slavonski Brod – Donji Miholjac – Hungarian border (Dravaszerdahely).

§ § §

HEP signed the contracts with subsidiaries (Croatia)

Croatian power utility (HEP) and HEP's subsidiary companies have signed the agreement in order to define mutual relations.

The agreements were signed between joint stock company HEP, on one side, and HEP Production Ltd, HEP Transmission system operator Ltd, HEP Distribution Ltd, HEP Supply Ltd, HEP Heating Company Ltd, Heating company Sisak Ltd and HEP Gas Ltd, on other side.

According to the chairman of the management board of HEP, signing of those agreements was important step in the process of restructuring of the company.

He said that this first step was related to the vertical organization of the company, and next step would be the preparation of the similar agreements with the members of the HEP group.

§ § §

Voluntarily dismissals program for the senior PPC's officials (Greece)

The management board of PPC (Public power corporation) has approved the program for the voluntarily dismissal of the 210 senior officials in the company.

The costs of the program are estimated at 17 million euros, and savings in case of 100 % acceptance of the program, are estimated at 90 million euros over the years.

PPC employs 27,500 workers, where monthly salaries represent 36 % of total operational costs and 30 % of incomes from the electrical energy sales.

§ § §

PPC and HP among the best companies in the state (Greece)

According to the analysis of the private company ICP, almost every state utility in the country is the loss making company. The business losses are transferred to the state, i.e. to the taxpayers. In the same time, salaries in those companies are above the average salaries in Greece.

Out of 48 state owned utilities, only several of them are making the profit. In the same time, productive companies are only those who are listed on the stock exchanges, such as Hellenic Petroleum (HP) and Public Power Corporation (PPC)

In fact, those two utilities are among the most successful companies in Greece. In 2004th, annual turnover of HP increased by 21, 3 % up to 4,5 billion euros, while PPC has achieved annual turnover of 4,1 billion euros, which was 5,8 % increase.

HP and PPC have achieved 2/3 of the total increase of turnover of all utilities, which increased up to about 13,2 billion euros.

HP's profit in the same period was 184 million euros and PPC's profit was 405 million euros.

In the same time, Greek state was forced to guarantee the loans in order to cover the losses of other state utilities, and Government by itself has paid 295 million euros to cover the loans that utilities could not pay.

Overall losses in 48 state utilities amounted up to 1,5 % of Greece's gross domestic product (GDP).

§ § §

Hellenic Petroleum and PPC not satisfied with the natural gas framework (Greece)

Two largest power companies in Greece, PPC (Public power company) and Hellenic Petroleum (HP) believe that new legislation in natural gas sector will have negative effect to both companies.

Companies' officials believe that political decision from the past, which are not in accordance to the long-term energy plans, and new projects predicted by the deregulation of the energy market, will be in disharmony.

According to new framework, Public Gas Company (DEPA) will be divided into two companies. The parent holding company will be responsible for the conduction of commercial operations. Another, subsidiary company will be responsible for the management of the transmission gas network and it will be 100 % owned by the state for at least 10 years, not depending of the shareholder's structure of the parent company.

This last stipulation is the main concern of the PPC and HP, because HP owns 35 % of the former DEPA and PPC could be entitled to 30 % of shares in former DEPA after finishing the arbitrage procedure.

HP and PPC are unsatisfied with the fact that state has decided to keep control in the profitable transmission gas company, without their influence in the next 10 –year period.

On the other hand, both companies said that their long-term investments in DEPA would be seriously affected with this transformation of DEPA. Both companies believe that they should get some kind of compensation due to the interruptions of their investments.

Also, the decision on the restructuring of DEPA came when both HP and PPC were still state owned companies that were in the preparation for the listing on the stock exchanges.

DEPA was established in September 1998th as a subsidiary company of the Public Petroleum Corporation (DEP) that was later transformed into Hellenic Petroleum. 85 % of DEPA has become the state ownership, and the rest of the 15 % was remained HP's property. HP has exercise its right to raise the capital stake in DEPA in July 1999th and PPC was granted the 30 % option in DEPA.

PPC's officials believe that transformation of DEPA will decrease the value of PPC's stake in DEPA as well as the value of PPC's own shares and company's profit. PPC believe that it will be left from the profit of the new gas transmission company and because of that it demanded appropriate compensation.

§ § §

EDF invests in wind power projects (Greece)

EDF (French Power Company) has expressed its interests for the development of the wind generators in Greece. EDF is willing to provide the essential support for the development of renewable energy sources (RES) through the subsidiary company in case of suitable legal framework, general director of EDF Energies Nouvelles (EN) said.

EDF is looking forward to the profit from the power production as well to the carbon credits that would originate from this kind of RES projects, thus reducing the funds of the company paid for the greenhouse emission costs.

EDF EN is the EDF's subsidiary in charge for the RES projects, capable of providing of technical support and funds for the investments. EDF EN wants to cooperate with Greece's companies that have good knowledge of the local markets.

French company is willing to include the Greece in their investment priorities along with France, Portugal, Italy, the UK and US. EDF wants to reach overall wind power output of 3,000 MW in those countries until 2010th.

EDF EN operates 45 MW of wind power generators in Greece, including the generators in wind park on Crete, and it will build another 66 MW in one-year period after the acquiring the wind power companies owned by Ktistor. Theoretical portfolio of EDF EN in Greece has potential of 800 MW.

Aforementioned wind farm on Crete has put in operation on November 26th. Crete has been experienced large number of the power cuts in the past and the wind energy is seen as the solution to these problems. The electrical energy consumption in Crete has doubled in the last 15 years, and existing power output of 695 MW was not enough to cover the consumption.

There have been 10 winds parks already on the whole island, but this is the first one placed in the western part of the island.

This should be the key wind farm for the further development of the wind generator projects in that part of the island. The wind farm has 11 of VESTAS wind generators with total power output of 9.35 MW. The worth of the investments was 10 million euros and it was carried out in record period of 9 months. It is estimated that another 60 MW of wind generators could be built in this area with average wind speed of 10 m/s.

The wind park was constructed by the Ktistor SA, which has transferred the ownership rights in all of its winds farms in Greece to the subsidiary of the EDF EN in Greece, the EEN Hellas.

Overall wind power output on Crete is today 106 MW (covers about 12 % of the island's consumption), and overall output in whole Greece is about 250 MW, still among the smallest ones in Europe.

It is estimated that wind generator could supply 20 % of the Crete's power consumption without endangering the stability of the power network.

§ § §

Liberalized import of electrical energy for industrial consumers (Macedonia)

After January 1st, the electrical energy market in Macedonia is supposed to be liberalized in accordance to the conclusions of the Athens Forum, i.e. energy treaty, whose signatory is Macedonia.

It implies that industrial consumers will have the right to import electrical energy on a free market. Until 2015th, electrical energy market will

The officials from the Macedonian economy ministry do not expect that electrical energy market in Macedonia will become operational in this year.

Because of that, MEPSO (Macedonian transmission system operator) has undertaken the actions in order to provide the electrical energy requested by 10 large industrial customers. The industrial customers have the right, but not the obligation to provide missing electrical energy in the free market.

If the industrial customers import electrical energy by themselves, MEPSO is obliged to transport the energy at a predefined tariff. The regulatory body will agree tariffs in advance and it will not be negotiable.

The same terms will be applied for the Feni and Jugohrom after the expiration of the supply agreement with MEPSO.

In the future, if the government wants to sign the agreement regarding the power supply agreement with some company at privileged prices, for example to give the incentive for some line of industry, it will have to inform the regulatory body, justify the decision and define the way how the difference will be remunerated.

MEPSO will purchase the electrical energy at regulated price from power producers in the country and missing energy will be provided by the import from the neighboring countries.

§ § §

The continuation the AMBO project (Macedonia)

Albania and Bulgaria will have to declare themselves very soon regarding the construction of the AMBO oil pipeline. In the same time, Macedonian officials will need to submit ecological analyses after the request of the AMBO consortium, which is in charge for the construction of the pipeline.

This was said by the Macedonian representative in the project, Gligor Taskovic.

The reason for the delays in Albania and Bulgaria are the new elections after which new government will need some time to reconsider the project. It is expected that this could happen by the end of this month.

The preparation concerning the financial framework should start in February and it should be finished in the six months after which the construction of the pipeline could start.

Macedonian representatives in AMBO project have still been waiting for the ecological analyses from the environmental ministry, which still did not finished the required studies regarding the impact of the pipeline on the environment.

According to the Macedonian environmental ministry, AMBO, as the investor in the project, should publish the tender for such study and finance it.

The foreign and domestic experts should carry out the environmental study, Macedonian officials believe.

Environmental ministry has proposed the route of the pipeline through the Macedonia a year ago.

The pipeline should depart from Kriva Palanka to Kumanovo, Veles, Prilep, Krusevo, Plakenska Mountain, over the Debar Valley and Mountain Jablanica.

This route is considered as most appropriate being far away from rivers and springs, it is lightly inhabited and with no significant natural

§ § §

The problems in production of electrical energy. (Macedonia)

According to the general managers of ELEM (Macedonian power plants) and MEPSO (Transmission system operator) production of electrical energy in Macedonia is in danger due to unpaid debts of the Macedonian customers.

They demanded for immediate paying of 27,5 million euros of debts, which has been made since former ESM was transformed into three independent companies.

ELEM is having problems to pay its own debts, to provide the raw materials and to perform regular maintenance works due to lack of funds.

General manager of ELEM said that MEPSO was obliged to find the bank which will carry out the settlement of the payments. According to the agreement, 48 % of daily incomes should be transferred to the ELEM, 31 % is going to the ESM –Distribucija and rest of 9 % of incomes should be transferred to MEPSO.

The bank has not been chosen yet and each company is managing the incomes in way it prefers, which led to the certain confusion in energy sector and which could endanger whole system. Situation is presented to the ministry of economy and to the Regulatory Commission.

Economy minister has formed the coordinating body for finding the solution of the problem, but the managers of the ELEM and MEPSO still have not met.

§ § §

Slovenian company Riko will construct the HPP Matka 2. (Macedonia)

Slovenian company has won the contract for the construction of the hydro power plant Matka 2, which will be placed in the canyon of River Treska.

The Riko will acquire the loans from the American or Slovenian banks, but the loans will be returned by the Macedonian state in the next 15 years.

The worth of the construction works will be 41 millions euros and the government will grant the guarantees for the loan agreements. The works should start in the September this year at latest.

In the first seven months, the blueprints should be finished, than the generator and the turbine will be ordered after which construction works will start, officials from the Riko have said.

Until now, the tunnel and overfilling shaft have been built, for which ESM (Power utility of Macedonia) have spent about 10 million euros. The HPP has being built for more than two years and only preparation works have been finished.

The Riko, beside the construction of 70 meters damn, will deliver the equipment for the HPP.

The Macedonian former as well the present prime ministers have supported the project for Matka 2 also.

The HPP will be placed between the power plants Matka 1 and Kozjak, which would conclude the projects on Treska River.

Experts, on other hand have said that construction of Matka 2 and the Kozjak were expensive investments, which do not have any significant energy meaning for Macedonia. Three power plants have output of 5 % of the largest power plant in Macedonia, the thermal power plant Bitola.

§ § §

Four companies enter the second phase of the privatization of ESM (Macedonia)

Czech CEZ, Italian Enel, German RWE and Austrian EVN have entered the second phase of the privatization procedure of ESM Distribucija (Power utility of Macedonia-Distribution division), which implies comprehensive analyses of the company.

Interested companies will be able to examine the ESM's assets until the February 6th and, until the March 1st at the latest, financial offers should be submitted.

According to the tender criteria, future owner will be obliged to fulfill the social package program and basic investments plans. It will be forbidden to dismiss any of the workers in 2006th, and in the next two years it will be allowed to dismiss 5 % of the employees. The required investments in the first year should be 12 million euros minimum, 14 million euros in the second year and 16 million in the third year.

The winner on the tender should be the bidder that offers the best price for the 90 % of the shares and present the guarantees for the aforementioned investments.

§ § §

Skopje 5 substation put back in operation (Macedonia)

Macedonian capital Skopje has resolved the problems with electrical energy supply after putting back in operation of 400 kV substation Skopje5.

The substation was out of operation for almost a month, and experts' teams of MEPSO (Transmission system operator) have replaced it with the reserve one from the substation in Dubrovo. In this way, the danger of power reductions in Skopje and almost half of Macedonia has successfully avoided.

Old substation will be transported to the Croatian capital Zagreb for the repair works.

The supply of the industrial customers in the metallurgical complex in Skopje was also normalized. During the failure, the power supply as well as the production in the industrial zone was considerably reduced.

Substation was first time put in operation in 2003rd, and worth of the investment was 10 million euros. The main aim of the project was improving the safety of the power supply in Skopje.

§ § §

110 million euros for the electrical energy import. (Macedonia)

According to the announcements, Macedonia will import the record of 3,1 billion kWh of electrical energy in 2007th, for which minimum of 110 million euros will be spent.

Almost all large industrial customers have requested for higher electrical energy import in this year comparing to the 2005th.

The company Silmak, requested the largest import of 728 million kWh, Feni Industry will import 704 millions kWh, Skopski Leguri, owned by Russian businessman Malinovski, plans to import 555 million kWh, Makstil will import 214 millions, coal mine Suvodol will import 115 millions, cement factory Usje plans to import 105 million kWh and Bucim will import 96 million kWh.

Every aforementioned company have requested for 50 to 100 million kWh higher electrical energy import comparing to the last year. The largest increase was noticed in the import of Skopski leguri, which imported 55 million kWh in the 2005th.

With this announced electrical energy import of industrial customers, the increase of the electrical energy import will be 1 billion kWh comparing to the last year.

The main problem for the Macedonian power companies is the fact that many of industrial customers have the preferential price of electrical energy as well as the large debts.

§ § §

Increase of natural gas prices by 10 % (Macedonia)

The price of natural gas in Macedonia will be increased by 10,2 %, according to the decision of the Regulatory commission.

Macedonian oil and gas company Makpetrol has earlier requested for the increase in gas prices by 12 %.

The representatives of the company have justified this request to the Regulatory commission and to the Macedonian businessmen at the joint session. Representatives of Makstil, Gama and Brewery have also attended the meeting.

The Makpetrol officials explained the price increase with the high prices of fuel oil and diesel.

The industrial customers that use natural gas in the production process see this price increase as new energy shock to the industry. Those companies expect higher expenses in the future business activities.

§ § §

GAMA company will manage the main gas pipeline (Macedonia)

Macedonian public gas company GAMA has won the first battle over the oil and gas company Makpetrol after court decision that has granted management of the main gas pipeline in the country to the GAMA.

Makpetrol has announced the appeal to such court verdict after it has earlier been arguing the transport license granted to GAMA. Makpetrol has also accused the Macedonian government on illegal operation on this issue, claiming that government has agreed to solve the dispute through the direct agreement.

Makpetrol will have to transfer the management rights over the gas pipeline within 15 days after the court decision and Makpetrol will remain in charge for the gas supply, distribution and trade.

This court verdict solved the just a part of the problems. The next step is to decide the ownership rights over the pipeline. In the last six months, auditors have been checking the documentation in Makpetrol and

§ § §

EPCG announced higher prices in the mid 2006th (Montenegro)

Chairman of the management board of EPCG (Power of utility of Montenegro) said that price of electrical energy would be most likely increased in the second half of this year.

According to the chairman, the price increase could not be expected in the first quarter in this year.

Chairman expects that tender for privatization of thermal power plant Pljevlja and 31 % of the shares in the coal mine Pljevlja would be finished successfully in this year.

The purpose of the privatization was to establish the stable energy complex that could provide sufficient amount electrical energy for Montenegro, he pointed out.

§ § §

Ideas for privatization of entire EPCG (Montenegro)

Executive director of EPCG (Power utility of Montenegro) believes that the largest energy companies in the Europe would be interested for privatization of the entire EPCG, such as E. ON and EDF.

He has based its opinion on the fact that price of electrical energy in Montenegro has increased by 25 % and it constantly rises on World markets, which would imply stable and profitable business operation in energy sector.

Director reminded that EPCG has intensified the contacts with the large European power companies, the Italian Enel Austrian Verbund, HSE from Slovenia, NTE from Norway and Czech CEZ during the current privatization procedure of thermal power plant Pljevlja. Tender will be open until the February 27th.

According to the director, Enel, Verbund, and HSE are especially interested for the privatization of entire EPCG.

Government of Montenegro has been preparing the strategy of development and privatization of EPCG.

Draft strategy paper is not finished yet, and the director believes that wrong approach was chosen, because separate teams have been working on the particular issues instead of single team.

Director said that this paper should be put on hold until the Strategy of development of energy on Montenegro, carried out by the Croatian energy institute Hrvoje Pozar, is finished.

Current financial situation in EPCG is still very complicated, director said. The new collective workers agreement was signed that has predicted higher salaries. The business losses in the last year are estimated at 20 million losses, due to increased power import among other things (the losses in 2004th were 10,3 million euros). Some operational expenses were reduced during the last year, director said. For example, telephone expenses were about 1,3 million euros.

After the EPCG has transformed into the functional divisions, collection rate has improved but it is still below the projected level. Distribution division has started to disconnect the debtors from the power grid. Director has said that households should pay their power bills regularly, but in the past few months, households have not paid their bills.

In this moment , EPCG claims about 100 millions euros, and highest debts are made by the households, about 48 millions. The biggest debt- or among the industrial customers is the Aluminum factory that owes about 16 millions euros.

According to the plans, 3,270 workers out of 3,420 workers in this moment should stay in the company

§ § §

New coal prices (Montenegro)

Regulatory energy agency (REA) should determine new prices for coal delivered from the Coal mine Pljevlja to the EPCG (Power utility of Montenegro) i.e. to the thermal power plant (TPP) Pljevlja until end of the January.

Previous contract between the Coal mine and the EPCG has signed in 2002nd. Coal mine asked for 21, 44 euros per ton, while the EPCG was ready to pay 17,15 euros in that time. New coal prices will be the input data for setting the price electrical energy produced in TPP until the end of the privatization procedure of the TPP.

Coal mine has requested the new price of 23,8 euros per ton. Executive director of the Coal mine said that price of coal that would be determined by the REA would have small significance for the future owner of the TPP and the Coal mine. The main concern of the future owner will be final price of the electrical energy.

REA will also analyze the additional request of the EPCG regarding new tariff system that will result in the price increase of electrical energy if it is accepted.

Agency will publish the official request of EPCG on its website in the mid January so that citizens and all interested parties could send its remarks in 14-days period.

After that period, in next 28 days, final decision will be brought. The deadline for this is February 28th , but the additional period of 30 days will be left for the EPCG for the technical preparation necessary to apply new tariff system.

If the REA accepts the EPCG proposal, price of kWh in the country will be between 9 and 9,5 eurocents depending on the loss calculation. Current price of electrical energy in Montenegro is about 5,5 eurocents per kWh with all costs included.

REA has issued six permanent licenses for the production, distribution, transmission and supply of electrical of electrical energy, for the operator of the transmission network and for the operator of electrical energy market.

Instead of permanent licenses, long-term licenses will be granted to the 30 companies involved in the sale, storage, distribution and transport of oil and natural gas. Those licenses will be valid for the next 8 to 12 years.

Although there was certain interest for the opening of new petrol stations, no request was submitted for such purpose.

According to the data from REA, there are 65 petrol stations in Montenegro, out of which 16 stations are located in capital Podgorica.

§ § §

New tender for the Berane coal mine (Montenegro)

The new price for the coal mine Berane on the 8th public sale that should be published in mid January will be decreased by 550,000 euros from the price on the previous sale.

The price reduction was caused by transferring some obligations to the government of the Montenegro. The government was promised to help to solve the obligations toward the EPCG (Power utility of Montenegro) and to settle debts toward workers, which had caused the reduction of the sale price, bankruptcy manager said.

The new sale price for the coal mine should be 458, 000 euros.

§ § §

2.3 million euros of losses for the coal mine Pljevlja (Montenegro)

Officials from the Coal mine Pljevlja have estimated that company will end the year 2005th with the business losses of 2,3 million euros. As a reminder, in 2004th , coal mine has achieved the profit of 140,000 euros.

According to the calculations, loss from sales was even 3,3 million euros and it was reduced by the more than million euros earned through the other financial and investment activities of the company. The Coal mine has lost about 2,9 million euros from the sales to the thermal power plant Pljevlja. On the other hand, Power utility of Montenegro (EPCG) denied this claims insisting on lower price of coal.

In this moment, Coal mine's calculated price of coal is 21,44 euros per ton, while the EPCG accepts the price of 17,15 euros.

The rest of 461,000 euros of losses were caused by the other non- paying customers, officials from the Coal mine said.

Management of the coal mine expects 39 million of incomes in this year, which is almost 25 % higher than estimated incomes of 31,5 million euros in the last year.

In 2006th, planned production is 1,5 million tons of coal, which is 13 % higher than the last year, but very close to the achieved production in 2004th.

Coal mine plans to invest about 17,8 million euros, out of which 2/3 will be the capital investments.

The Coal mine has requested from the Regulatory energy agency (REA) to verify the price of 23,8 euros per ton, which should be paid by the EPCG for the deliveries to the thermal power plant Pljevlja.

If this price was verified, coal mine would achieve the profit of 106,500 euros in 2006th, officials said.

EPCG has already seen the requested price as to high and non-market based. REA should reach decision on this request by the end of January.

§ § §

Investment in new energy production facilities (Romanian)

Romanian prime minister said that Romania had to invest in new energy production facilities in order to avoid the negative effects of the energy crises similar to recent Russian –Ukrainian gas dispute. According to prime minister, Romania did not have any consequences in the latest crisis due to existence of various production capacities

This was said during the conference "The Romanian economy and devel-

The main priority of the Ministry of economy and trade should be the development of the energy efficiency and upgrading the thermal power stations for the delivery of the heating energy to the citizens. The development program will be based on the construction of the CHP (combined heat and power) plants with high efficiency rates and reduced costs.

§ § §

New sources for import of natural gas and storage facilities (Romania)

Romanian minister of economy and trade announced the increase of sources for the import of natural gas and construction of new storage facilities.

The representative of the Romania in the Nabucco gas project is the Transgaz, the National Gas Transport Company. The length of the pipeline over the Romanian territory will be 450 km. Transgaz has build 37 km of the gas pipeline that should connect the Romania and Hungary. Romgaz, Gas Distribution Company, and Hungarian MOL are currently negotiating on the investments for this project.

Total amount of the natural gas stored in Romania at the end of 2005th was 3,084 million cubic meters. Romgaz has invested 14,5 million euros in the underground storage facilities so far, and intends to invest another 28 million euros in 2006th. Romania wants to increase underground storage capacities at 6 billion cubic meters until 2007th

Another company, Petrom OMV Group, is conducting the feasibility studies for the construction of the storage facilities in the in Piscolet and Boldesti. The storage capacity should be 640 million cubic meters and worth of the project that should be finished in the next three to five years, will be about 80 million dollars.

§ § §

Enel should invest 65 million euros in 2006th (Romania)

Italian company Enel plans to invest about 65 million euros in its Romanian branches in 2006th. Enel is the owner of the power distribution companies Electrica Dobrogea and Electrica Banat.

Enel will establish two service providers, one for the over 100,000 industrial customers and second one for the over 1,3 million of households' customers.

The privatization contract for Electrica Banat and Dobrogea predicted that Enel should invest about 1 billion euros in the next 15 years, where 300 million euros should be invested in next 5 years.

§ § §

Problems with the gas delivery from Russia (Romania)

Romanian prime minister announced that reduction in gas deliveries from Russia would not affect the Romania having in mind that government has stored about 2 billion cubic meters of gas.

The reserves have been achieved by the domestic production, which covers about 60 % of the domestic natural gas consumption. The industrial and households customers would have sufficient gas supplies, minister confirmed.

Government has also considered substitution of the gas with alternative energy sources such as lignite, and black coal.

Prime minister does not expect the rise in gas prices that have been put in place on January 1st. In fact, if the reduction of gas import became considerable, the gas bills could be reduced also, minister said.

In the same time, Romanian minister of economy and trade said that lawyers have been checking whether the natural gas supply contact ,signed between the Romania and the Winterschall, has been violated, having in mind the reduction in the gas delivery and higher prices than it was agreed.

Winterschall is responsible, together with IMEX, for the gas import from Russian Gazprom.

Minister explained that Winterschall and IMEX have the separate contracts with the Distrigaz Nord, Distrigaz Sud, Romgaz, and Electrocenrale and that there is no global agreement with the Romanian state. Nevertheless, various commercial agreements between separate legal entities exist, minister said.

Supply agreement predicts the variations in gas deliveries up to +/- 20 % with the price about 285 dollars per 1000 cubic meters.

Romanian president said that Romania was paying the highest price for the gas in the Europe.

Main concern of the Romanian government was to compensate the missing natural gas from the domestic reserves.

§ § §

Appeal for the continuation of NABUCCO gas project (Romania)

Romania wants that Nabucco gas project, for the transport of natural gas from the Caspian Sea and the Middle East to Europe, would be continued as soon as possible. The project could help to avoid the impact of the crises like recent one between Russia and Ukraine.

The Nabucco project has gathered the companies from the Turkey, Bulgaria, Romania, Hungary and Austria.

Romanian minister of economy and trade announced the meeting with his colleagues from Turkey and in Egypt in Ankara in February, in order to help the continuation of the project.

Minister believes that one of the reasons for the delays in the process is the fact that five countries are involved in this project.

Romania should invest about 800 millions euros for the construction of the 457 km of the pipeline that will cross over its territory.

Overall length of the pipeline would be 2,842 km long and it will have transport capacity of 30,000 million of cubic meters of natural gas.

§ § §

Finishing the privatization in energy sector in 2006th (Romania)

Natural gas company Romgaz and power distribution company Electrica Muntenia Sud should be finally privatized in 2006th, Romanian economy minister announced.

Romagaz is the owner of the 50 % of the gas production in Romania and the Electrica Muntenia Sud is the most important distribution power company in the country.

Minister believes that power production complex in Rovinari, Turceni and Islanita will be very interesting for potential investors.

Annual production output of Romgaz is about 6,5 to million cubic meter of gas, while the annual profit in first ten months in 2005th was about 160 million euros.

Concerning the privatization of Electrica Muntenia Sud, it is expected that some 500 million euros will be acquired during this privatization procedure. It should be second largest privatization procedure in this year.

In order to obtain the best price, government has decided to prolong the tender deadline until the January 31st. The bidders for Electrica Muntenia Sud are AES from USA, CEZ from the Czech Republic, Enel from Italy, EnBW from Germany, EVN from Austria, Gaz de France, Iberdrola from Spain, RWE Energie from Germany and Union Fenosa International from Spain.

The privatization of Rovinari, Turceni and Islanita will be continued after the report from the Deloitte Touche, the consultant in this privatization procedure. Overall profit reported by these three power utilities in the last year was about 60 million euros.

The government has decided that some hydropower plants will be included in this privatization procedure in order to attract more potential investors.

§ § §

Over thousand petrol stations without licenses. (Serbia-Kosovo).

Over thousand petrol stations in Kosovo province could be closed in case if the owners of those stations did not submit the requests for the granting of the appropriate licenses.

In the mid of the last year, Kosovo parliament has brought the law that has predicted that petrol stations could work only if they have the aforementioned licenses. Out of 1,200 petrol stations in Kosovo, only 204 of them have the operational licenses.

Kosovo's trade and energy ministry has warned owners of the petrol stations that, after the expiration of the deadline for submitting the requests in February, all petrol stations that do not have license would be closed and forced to pay a fine of 100, 000 euros.

According to the Kosovo medias, Kosovo has the largest number of petrol stations per square km and per capita as well in the whole Balkans. Despite that, large number of new petrol stations has being built in Kosovo each day.

§ § §

New 400 kV substation (Serbia)

In the last days in December in the 2005th, new and most sophisticated 400 kV substation in Serbia was put in operation near town of Sremska Mitrovica.

Ten years after the beginning of the war conflict, new substation will enable the better connection of transmission and distribution power networks of the Serbia, Croatia and Bosnia and Herzegovina.

The construction of this power station has begun in 2002nd, and it has been carried out in several phases. The worth of the project is about 11,5 million euros and it was financed by the World Bank (WB), European Bank for the reconstruction and development (EAR) and by the domestic funds.

It is expected that power distribution company will save more than 1,2 million euros per year after the new power station was put in operation.

Now the power system of Serbia is connected with power systems of Croatia, over the substation in Ernestinovo in Croatia. In the same time, the part of the substation that will connect the substation with the thermal power plant Ugljevik in Bosnia and Herzegovina has been built.

According to the Serbia's energy minister, the construction of the substation was the major step toward the European integrations, while the general manager of EMS (Transmission system operator) said that this investment was the confirmation of the significance of the Serbian power system for the whole Europe.

He added that domestic experts have installed power equipment in the substation in accordance to the highest European standards regarding the environmental protection. New facility will stabilize the high voltages and reduce the losses in the power network in Vojvodina province.

EMS has announced the construction of the similar power facilities in cities of Sombor and Jagodina and several power lines that will be financed by the own funds and by the funds from the European agency for the reconstruction and development.

§ § §

Contract with privatization advisor of NIS signed (Serbia)

On January 12th, Serbian government has signed the contract with the consortium Merrill Lynch and Raiffeisen Investment regarding the advisory services in the privatization procedure of the Oil industry of Serbia (NIS).

The consortium should present the privatization model for NIS in the next three months. For state of Serbia, the signing of this agreement was one of the conditions for the successful closure of the financial arrangement with IMF (International monetary fund) and for the relief of the 700 million euros of the debts toward the Paris Creditors Club.

According to the Serbian energy minister, privatization of the NIS should be finished in the first half of the 2007th, and whole procedure should be finished in two phases. After selection of the privatization model, privatization should be finished in the next 15 months. Minister expects that privatization advisor would offer the model that would secure the strategic interests of the state, such as establishment of the competitive and liberalized oil market in Serbia, attracting the foreign investments, modernization and high level of environmental protection.

The representatives of the consortium believe that NIS would reach high sale price. They quoted the recent experience of the consortium in the similar privatization of the company involved in the gas and oil business activities in Pakistan.

In addition, they said that excellent recommendation for Merrill Lynch was good cooperation with almost every government in Europe, especially with the Italian and Finish government.

Merrill Lynch will receive 900,000 euros and 1,2 % of the sale price of NIS for its services.

§ § §

Elektrovojvodina becomes host utility in the EPS (Serbia)

Since January 1st, power distribution company Elektrovojvodina has not been the public company anymore and, in accordance to the law of Serbia, it has become the host utility within the Power utility of Serbia (EPS), general manager of the Elektrovojvodina announced.

Elektrovojvodina is covering about 25 % of the customers in Serbia and it has been considered as the best distribution power company in the country.

Company will be restructured into 10 branches that will be strictly involved in the power distribution and management of the distribution system.

The restructuring process was initiated in 2003rd and the parts of the company responsible for providing the auxiliary services were secluded and became the property of the state. Those companies are now ready for the privatization process.

General manager said that Elektrovojvodina has achieved income of over 260 million euros in 2005th, where the collection rate was almost 100 %.

The increase in power consumption of 3 to 5% was noticed, which was partly related to the low price of electrical energy used for the heating of households or office buildings.

The company has invested about 2,6 million euros, from its own funds, into power network, various equipment and revitalization projects. The construction works in the substation Novi Sad 1, 3,5 million euros worth, were finished also.

The main priority of the company in this year will be the investments in the revitalization and construction of distribution network, for which purpose will be spent about 3 million euros.

§ § §

Strike in EPS and EMS (Serbia)

Workers unions in EPS (Power utility of Serbia), EMS (Transmission system operator) and in Coal mines have decided to prepare for the second phase of the strike in accordance to the Law on workers strikes.

Unions have demanded from the general manager of EPS to define the minimum of the production of coal and electrical energy in the company.

In case if management of EPS does not adopt the demands of the workers, unions could increase the strike density and stop to obey the clause regarding the minimum of production processes.

The talks between the government and the unions regarding the payment of unpaid wages in the last two years and undefined price of the work hours for 2006th have not been stopped.

After the reaching the initial agreement, unions have decided that it would not intensify the protests that have started on January 10th, but it would continue with the one hour strikes each day. They said that it should be no power cuts in the country.

Unions demand payment of 6,5 million euros for the debts in 2004th and 25 million euros for the unpaid wages in 2005th, which would be 1,5 wages in average to be paid. Protesters have also demanded increase of the wages which were considerably depreciated over the years.

Economic analysts do not believe that state will fulfill the demands of the workers, because it would imply that other public companies could also request similar terms for them.

§ § §

Tenders:

Electricity

Company / organization: EBRD – European Bank for Reconstruction and Development, related **Serbia**

Establishment of Telecommunication System - SDH and Fleximux Equipment, Network Management Systems, Accessories and Associated Services

Content: EPS now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the loan:

Phase 1, 2 and 3; SDH and Fleximux Equipment, Network Management Systems, Accessories and Associated Services. Tender no. 67/05/PT

This contract will include:

- 61 Synchronous Digital Hierarchy (SDH) Nodes.
- 4 Dense Wavelength Division Multiplexing (DWDM) Nodes.
- 63 Fleximux Nodes.
- Network Management Systems with Hardware and Software.
- Spare Parts.
- Documentation, Distribution Frames, Synchronisation Equipment, Cabinets, Cabling and Miscellaneous Accessories.
- Detailed Project Plan and Implementation plans.
- Installation and commissioning services for 60 Sites.
- Maintenance and Support Programme.
- Training.

Deadline: 31 Jan 2006 at 12:00, Belgrade time

Contact: Mr. Danilo Lalovic, Senior Engineer, JP Elektroprivreda Srbije (EPS),
Tel: +381 11 2628 627; Fax: +381 11 2628 992
e-mail: danilo.lalovic@dtk.eps.co.yu

Company / organization: **EPS, Serbia**

Call for offers for consulting services regarding restructuring of the EPS power utility

Content: Study shall contain the analyses, opinion and recommendations regarding:

- possibilities for decreasing the costs and increasing the profit,
- improving the organization and administrative functions and other services,
- improving the strategy for investments and management with the investments,
- possibilities for entrance of foreign capital.

The study shall acquire and grade the influence of the formerly recommended measures for future total costs of EPS and its position at the Southeast Europe Regional Electricity market.

Deadline: Job completion shall be with the end of 2006.

Contact: Mr. Aleksandar Jakovljevic, tel: +381 11 3972 994, e-mail: aleksandar.jakovljevic@eps.co.yu JP "Elektroprivreda Srbije", 11000 Beograd, Vojvode Stepe No.412. – Direction for Strategy and Investments

Company / organization: EBRD – European Bank for Reconstruction and Development, related **Bulgaria**

Construction of new high voltage power lines

Content: The Natsionalna Elektricheska Kompania (NEK) (the Employer) has received a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Construction of New High voltage Power Lines. The Employer now invites sealed tenders from eligible tenderers for the construction of New High voltage Power Lines contract to be funded from part of the proceeds of the loan.

The contract will comprise of:
Delivery of materials, on-site erection and installation services, including design, manufacture, delivery, quality assurance, erection, and all related civil works, commissioning, structural completion and connection of the facilities to the power supply, in two Lots.

Deadline: 15 February 2006 at 14:00, Sofia time

Contact: Mr. Lubomir Velkov or Mrs. L.Vitanova Tel/Fax +359 2 9263552
e-mail: lvitanova@nek.bg

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: **EAR, related Romania**

Technical assistance to the Romanian Nuclear Regulatory Authority to deal with important aspects of the future commissioning activities

Content:

The project is intended to provide technical assistance for the Romanian Nuclear Regulatory Authority – the National Commission for Nuclear Activities Control (CNCAN) for improve the competence of its staff in the licensing process of the commissioning phase of Cernavoda Nuclear Power Plant Unit 2.

This technical assistance contract is envisaged to achieve the following results:

- training CNCAN staff in the field of commissioning phase with the view of improvement the regulatory practices and decision-making process focused on: the specific regulatory issues encountered during commissioning, on quality assurance management systems during nuclear power plant commissioning and on regulatory quality assurance inspection activities;

- elaboration of specific regulatory requirements and guides for all the commissioning phases

Maximum budget: Euro 500,000

Deadline: 30 January 2006 at 16:00, local time

Contact: Central Finance and Contracts Unit,
Ministry of Public Finance
44 Mircea Voda Avenue, B entrance, sector 3, Bucharest
Tel.: 0040-21 326 55 55
Fax. 004021 326 87 30

Company / organization: EBRD – European Bank for Reconstruction and Development, related **Romania**

Supply of control systems

Content: Regia Autonoma de Distributie a Energiei Termice (RADET) Bucuresti hereinafter referred to as the Purchaser, intends using part of the proceeds of a Grant from the Swiss State Secretariat for Economic Affairs (SECO) managed by the European Bank for Reconstruction and Development (the Bank) towards the cost of Bucharest Multi Sector Project. The Purchaser now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the Grant:

Control Systems consisting of: digital control systems, control panels, self operated differential pressure regulators with flow limitation, electrically driven two way control valves for domestic hot water and secondary space heating circuit, sensors, software, spare parts and accessories. The control systems will perform for 456 substations. Associated services, including design, technical assistance, adjustment and commissioning, connection works, technical manuals, training. The installation of the Goods will be carried out under separate 11 Contracts of Supply and Installation and is not the subject of this tender. The Goods shall be delivered within period of 18 months. The delivery of the Goods will be split into two 6 months phases. It is expected that the delivery starts in 2006.

Tendering for contracts to be financed with the proceeds of a Swiss Grant shall be in accordance with the Bank's Procurement Policies and Rules with the provision that participation is restricted to companies and firms that are entered in the commercial register in Switzerland.

Deadline: 28 February 2006 at 12:00, Bucharest time

Contact: Mrs. Adriana Stolojan
Tel: +40- 21-322.92.94
Fax:+40-21-322.92.94
adriana.stolojan@radet.ro

Company / organization: EBRD – European Bank for Reconstruction and Development, related **Bosnia And Herzegovina**

Power Distribution Reconstruction Project - Goods, works, services, consultancy

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

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Serbia
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Electric Power Industry of Serbia - Supply and Installation of plant and Equipment

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

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
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Maritsa East II Supply and Installation of Plant and Equipment

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

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Croatia
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INA Environmental Rehabilitation Project

Download:	http://www.ebrd.com/oppo/procure/opps/
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Content:	INA - Industrija nafte d.d., Zagreb, (INA) has applied for a loan from the European Bank for Reconstruction and Development for environmental improvements in INA's units with the aim to eliminate sources of soil, ground water and air contamination. The proposed project, which has a total estimated cost of Euro 36 million will require the procurement of the following goods, works and services: Repair of the sewer system including reconstruction work involving line testing for damage and the design of a reparation system (Refinery Rijeka); Oily waste treatment plant, including civil, electrical and instrumentation works, and supply of centrifuges, separators, pumps, vessels, containers, piping material, (Refinery Rijeka); Revamp of hydrodesulphurisation plant, (Refinery Rijeka); Design and engineering supervision for the above components...
Deadline:	2 Feb 2006 at 23:00, Rijeka time
Contact:	Mr. Vlado Bilusic C/o Project Implementation Unit Lovnic-eva b.b. Tel: 00 385 1 2381 357 Fax: 00 385 1 2381 370 INA - Industrija nafte d.d., V. Holjevca 10, 10000 Zagreb, Republic of Croatia.

Company / organization:	EBRD, related Kozloduy Nuclear Power Plant Bulgaria
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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.
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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
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Romania - CFR Traction Energy Network Management Project

Content:	CFR SA and its subsidiary CFR Electrificare have applied for a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 27 million equivalent (EUR 22.5 m from the Bank and EUR 4.5m in VAT and other taxes), will require the procurement of the following goods, works and services; Supply and installation of equipment sets consisting of traction substations, switching equipment, railway station distance control equipment, and central dispatching equipment and communication facilities; Supply of catenary maintenance vehicles; and Consultancy services for contract supervision. Tendering for the above contracts is expected to begin in the first quarter of 2006. Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.
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Deadline:	22 Jul 2006
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Contact:	Mr. Tiberiu Angelescu, Director of Foreign Financing Directorate, Compania Nationala de Cai Ferate CFR – SA, 38, Dinu Galesu Blvd. 2nd floor room no. 26 010073 Bucharest
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Company /
organization:**EAR, related Serbia****Ash Disposal System – Nikola Tesla B Thermal Power Plant**

Content:

EAR is seeking a new ash disposal system for the Electric Power Serbia (EPS – Contracting Authority) owned Nikola Tesla B Power Station, a 2 x 620MW lignite fired power station located in the town of Obrenovac, Serbia. Obrenovac is located alongside the River Sava, some 50km upstream from Belgrade.

At present the furnace bottom ash is removed mechanically by a de-asher which is filled with water as a seal to the furnace. Further transport is by belt conveyor.

The fly ash from the precipitators, air pre-heater hoppers and boiler economiser hoppers is collected and conveyed via pneumatic flow channels. At the end of the precipitator house these ashes are mixed together and flushed with additional water to the ash slurry sump. From there the water ash mixture of ratio nominally 10:1 is pumped via a pipeline to the ash disposal site, which is located approximately 4.5km away from the power plant, for final disposal. Three pipelines are installed in order to provide 1 stand-by line for use in the event of a temporary blockage.

The existing de-ashing system at Nikola Tesla B power plant has been in operation since the commissioning of the plant and handles, on average, about 2.1Mt/year of which approximately 7% is furnace bottom ash.

Tenderers are requested to propose the design, supply, installation, commissioning, testing and setting to work of a new ash handling and disposal system for Nikola Tesla B Power Station. The works comprises of replacing the existing thin slurry 10:1 ash disposal system with a thick slurry 1:1 hydraulic transport scheme.

Deadline:

4 April 2006, at 15:00h CET

Contact:

The European Agency for Reconstruction (EAR)
Procurement Officer
Vasina 2-4, 11000 Belgrade
Serbia and Montenegro
Fax: +381 11 30 23 466

Company /
organization:**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.

The Purchaser now invites sealed tenders from eligible Tenderers for the following contracts to be funded from part of the proceeds of the loan:

Measuring Equipment for Electro distribution Companies

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.

The Goods to be delivered in accordance with the Contract include, but are not limited to the following:

- 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:

28 April 2006 at 10:00, local time

Contact:

Mr. Nikola Rakić
Tel: 381 11 361 1251
Fax: 381 11 688 835

Company /
organization:**ERS, Republic of Srpska****Electric energy sale**

Content:

	Delivery period	Power	Energy
LOT 1	1.2.2006-31.21.2006	20 MWh/h	160,320 MWh
LOT 2	1.2.2006-14.5.2006	80 MWh/h	197,760 MWh
LOT 3	1.2.2006-25.3.2006	100 MWh/h	127,200 MWh
LOT 4	19.6.2006-31.12.2006	130 MWh/h	611,520 MWh
LOT 5	1.7.2006-30.11.2006	50 MWh/h	183,600 MWh

This Invitation is opened for all interested Bidders. The sale will be realized through the international public announcement – Tender (Bidding procedure) and it is open, under the same conditions, to all domestic and foreign Bidders.

The electric energy will be supplied through the interconnections of 110 kV, 220 kV and 400 kV transmission lines.

The total quantity of electric energy is 1,280,400 MWh

Deadline:

19 January 2006, at 11:00, local time

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