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

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Balkan Energy NEWS publication

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

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Country	Year	Sum	1	2	3	4
Slovenia	2007	11182	1027	891	953	850
	2008	11570	1094	998	1012	911
	2009	10994	1099	932	963	816
Bosnia and Herzegovina	2007	11722	1074	979	1016	910
	2008	11572	1074	979	1016	910
	2009	11572	1074	979	1016	910
Bulgaria	2007	34506	3272	3091	3196	2836
	2008	32727	3272	3091	3196	2836
	2009	31954	3486	3052	3021	2443
Croatia	2007	17842	1680	1543	1570	1544
	2008	17507	1625	1530	1551	1323
	2009	17507	1625	1530	1551	1323
Greece	2007	53504	4652	4271	4401	3894
	2008	53504	4652	4271	4401	3894
	2009	53504	4652	4271	4401	3894
Romania	2007	50636	4736	4268	4473	3803
	2008	50636	4736	4268	4473	3803
	2009	50636	4736	4268	4473	3803



Country Reports on Energy Business in South Eastern Europe

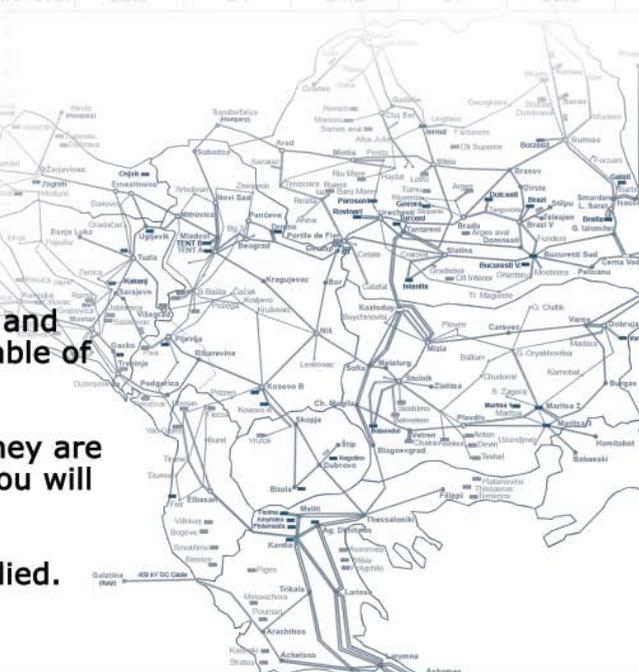
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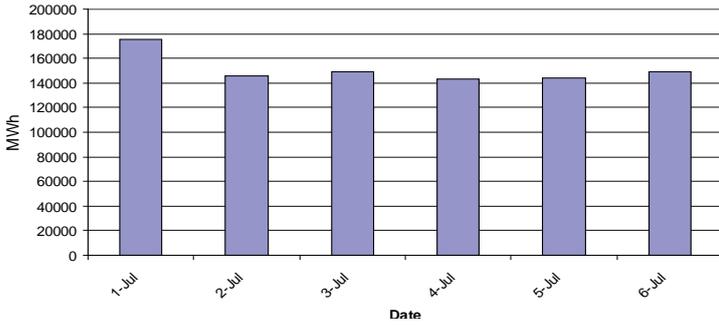
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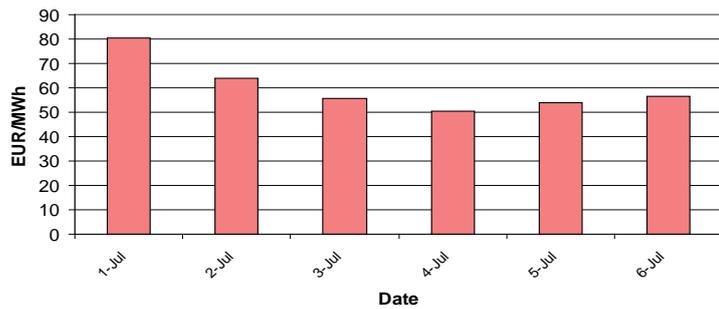
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Power exchanges data:

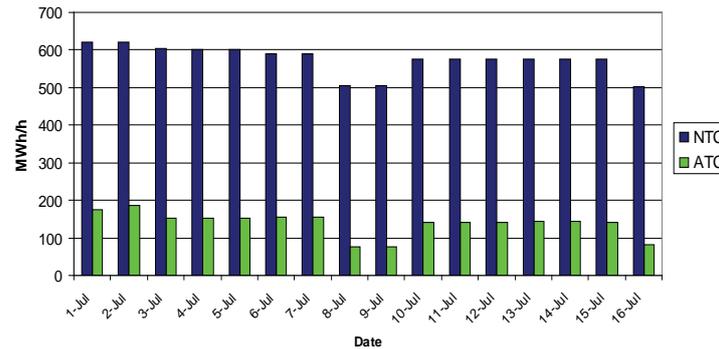
Greece - Daily Consumption



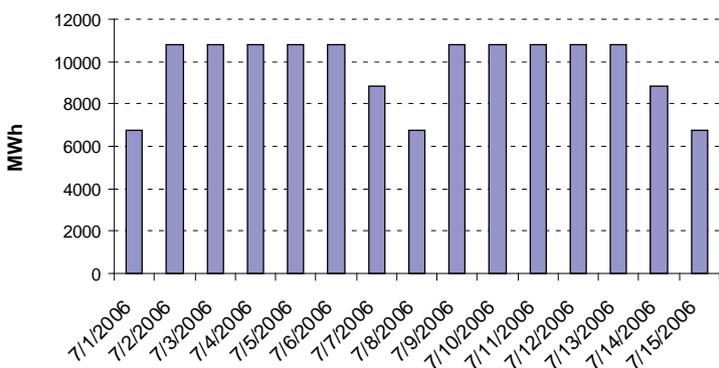
Greece - Average Daily System Marginal Price



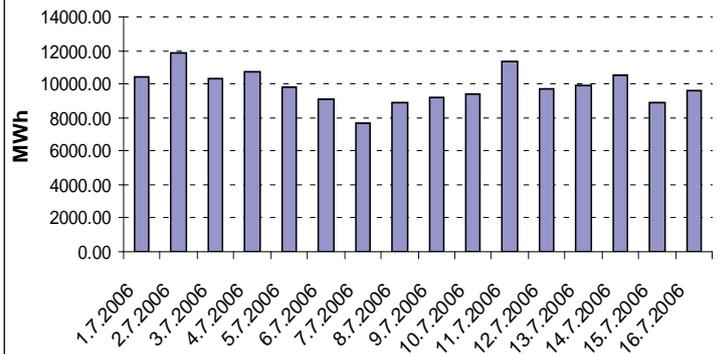
Greece - Average Daily Transmission Capacities



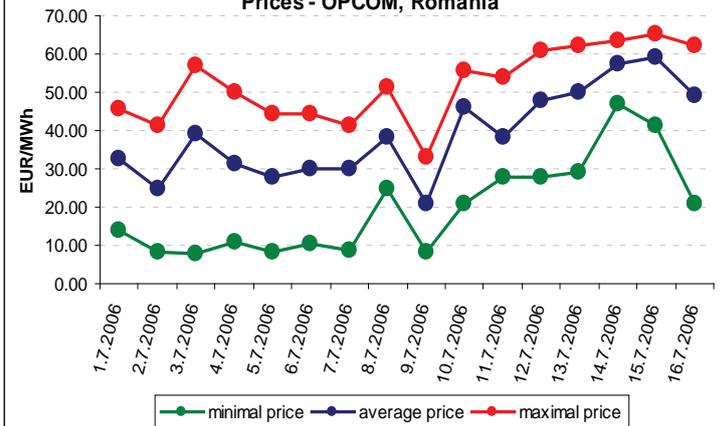
SLOeX - Index - Borzen, Slovenia



Energy traded - OPCOM, Romania



Prices - OPCOM, Romania



Analysis:

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Available Transfer Capacities for cross-border trade of electricity in South East Europe

Concept of cross-border transfer (i.e. transmission) capacities in the scope of Congestion Management process is firstly introduced by European association of Transmission System Operators (ETSO) in 1999 and later well defined in 2001 as a response to deregulation of electricity sector and consequently new approach (more transparent) to the cross-border trade of electricity. Nowadays, approved by the Union for the Co-ordination of Transmission of Electricity (UCTE) through its technical regulation called "Operational Handbook", this concept is widely used throughout the Europe. Allocation of available cross-border transfer capacities (done by TSOs) is basic prerequisite for electricity trade over national borders, or to be more precise, over borders between different neighboring TSOs.

First of all, Total Transfer Capacity (TTC) between neighboring TSOs is calculated, by respecting security of supply of all consumers, which can be violated by network element outages in the cases of too high power transfer between electric power systems of respective TSOs. TTC is then attenuated for Transmission Reliability Margin (TRM) and Net Transfer Capacity (NTC) is obtained. TRM is used for technical regulation/control of electric power systems and for mutual emergency support between TSOs in critical situations. Values for TRM in most countries of SEE are agreed to be 100 MW for borders on which there is at least one overhead line of voltage level of 400 kV, and 50 MW for borders with 220 kV lines. Nevertheless, there

can be exceptions from this rule on some borders. Calculation of NTC is purely technical activity, and the formula is:

$$NTC = TTC - TRM$$

Once calculated NTC for one border and for one direction (NTC is calculated separately for both directions over one border i.e. for import and for export) is often split between neighboring TSOs in equal shares (50% : 50%) and each TSO allocates its portion by its own rules i.e. allocation methods such as priority list, pro-rata or explicit auction.

Next step in the determination of transfer capacities which will be offered to the market players is taking into account occupied capacity by long term contract or by previous allocation round(s), which is called Already Allocated Capacity (AAC). Therefore, formula for calculation of Available Transfer Capacities (ATC), which will be offered by TSOs to the interested market players, as a result of previous commercial activities, is:

$$ATC = NTC - AAC$$

After all, ATC given by TSOs for respective borders, directions and time frames (usually one month) is most valuable information for market players in their planning of cross-border transactions of electricity. This information is needed in advance in order to anticipate possibilities to trade between different countries.

Beside indicative and non-binding values of NTC which are calculated seasonally for all borders in Europe and published on the ETSO web site, binding values of NTC, i.e. ATC are published on the web sites of TSOs. Currently available data for TTC, TRM, NTC, AAC and particularly for ATC on borders between TSOs in South East Europe on which this analysis is focused on, as well as web page addresses where this data can be found, will be presented in the following Tables 1 - 9.

Source of all data are web sites of respective TSOs but some data in Tables 1 - 9 may differ from data on the web sites of TSOs. This is because not all TSOs represent data in the same way. For example, OPS HEP (Croatia), Transelectrica (Romania) and NOS BIH (Bosnia and Herzegovina) gives data for only one-half of the NTC (the part that they allocate to the market players) and this can possibly lead to misunderstanding. Another thing is AAC data given on the web site of Hungarian TSO - MAVIR that comprises not only Already Allocated Capacity by MAVIR but also one half of the NTC that allocates neighboring TSOs and this also can possibly lead to misunderstanding of the given data. In order to avoid all possible problems that can be raised from different data representation explained previously, all data in the Tables 1 - 9 are represented in the same manner: commonly agreed values for the TTC, TRM and NTC are given (without any kind of splitting) and AAC represent value of already allocated capacity by the single TSO (without interfering in the allocation of the neighboring TSO). ATC in all cases represent transfer capacity that respective TSO can allocate (by its own rules) to the market players. Only exception from this rule is Greek TSO that gives aggregated NTC and ATC values for their northern border towards Albania, Macedonia and Bulgaria. Validity period column that appears in the Tables 1 - 9 reflects the time period during one month for which the corresponding ATC values are applied.

Albanian and Bulgarian TSO still do not publish binding NTC and ATC data on their web sites. Therefore, data for TSOs of Bosnia and Herzegovina (Table 1), Croatia (Table 2), Greece (Table 3), Macedonia (Table 4), Montenegro (Table 5), Romania (Table 6) and Serbia (Table 7) are presented. Hungary (Table 8) and Slovenia (Table 9) are also included because their TSOs are involved in the capacity allocation on the borders of the region that is investigated in this analysis.

NOS BIH - Bosnia & Herzegovina: www.nosbih.com						July 2006.
ATC data web page: http://www.nosbih.com/eng/capacities.html						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > BIH	750	150	600	150	150	01.07.-31.07.2006.
Montenegro > BIH	620	100	520	150	110	01.07.-31.07.2006.
Serbia > BIH	180	100	80	40	0	01.07.-07.07.2006.
	250	100	150	75	0	08.07.-31.07.2006.
EXPORT						
BIH > Croatia	850	150	700	350	0	01.07.-31.07.2006.
BIH > Montenegro	430	100	330	90	75	01.07.-31.07.2006.
BIH > Serbia	400	100	300	115	35	01.07.-31.07.2006.

Table 1: Transfer capacity data for Bosnia and Herzegovina borders

OPS HEP - Croatia: ops.hep.hr						June 2006.
ATC data web page: http://ops.hep.hr/ops/en/services/ntc.aspx						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Croatia	-	-	1000	445	55	01.06.-30.06.2006.
Slovenia > Croatia	-	-	1000	0	500	01.06.-30.06.2006.
Serbia > Croatia	-	-	200	100	0	01.06.-04.06.2006.
	-	-	300	150	0	05.06.-30.06.2006.
BIH > Croatia	-	-	700	250	100	01.06.-30.06.2006.
EXPORT						
Croatia > Hungary	-	-	100	0	50	01.06.-30.06.2006.
Croatia > Slovenia	-	-	750	375	0	01.06.-30.06.2006.
Croatia > Serbia	-	-	300	50	100	01.06.-30.06.2006.
Croatia > BIH	-	-	600	50	250	01.06.-30.06.2006.

Remark: Sign - means that data is not available

Table 2: Transfer capacity data for Croatian borders

HTSO - Greece: www.desmie.gr						July 2006.
ATC data web page: http://www.desmie.gr/content/values_xls.asp?lang=2						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Albania+Macedonia+Bulgaria* > Greece	-	-	250-650**	-	0-214**	01.07.-17.07.2006.***
EXPORT						
Greece > Albania+Macedonia+Bulgaria*	..****	..****	..****	..****	..****	..****

Remark: Sign - means that data is not available

* NTC and ATC data are given for the whole northern border of Greece towards 3 TSOs

** Values vary in the given interval, by day and by hour

*** Data are published for only 3days ahead

**** Not relevant direction

Table 3: Transfer capacity data for Greek borders

MEPSO - Macedonia: www.mepso.com.mk						June 2006.
ATC data web page: http://www.mepso.com.mk/index.php?id=213						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Macedonia	450	100	350	0	175	01.06.-07.06.2006.
	400	100	300	0	150	08.06.-25.06.2006.
	450	100	350	0	175	26.06.-30.06.2006.
EXPORT						
Macedonia > Serbia	340	100	240	0	120	01.06.-30.06.2006.

Remark: No transparent allocation procedure on the Greek and Bulgarian border

Table 4: Transfer capacity data for Macedonian borders

TSO EPCG - Montenegro: www.tso-epcg.com						July 2006.
ATC data web page: http://www.tso-epcg.com/eng/prenosni_kapaciteti.php						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Albania > Montenegro	-	-	200	-	100	01.07.-31.07.2006.
BIH > Montenegro	-	-	330	-	165	01.07.-31.07.2006.
Serbia > Montenegro	-	-	400	-	0	01.07.-31.07.2006.
EXPORT						
Montenegro > Albania	-	-	175	-	87	01.07.-31.07.2006.
Montenegro > BIH	-	-	520	-	260	01.07.-31.07.2006.
Montenegro > Serbia	-	-	400	-	150	01.07.-31.07.2006.

Remark: Sign - means that data is not available

Table 5: Transfer capacity data for Montenegrin borders

Transelectrica - Romania: www.transelectrica.ro						July 2006.
ATC data web page: http://www.ope.ro/varianta0/listdoc.php?buton=3&optiune=Licitatia%20curenta						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Bulgaria > Romania	400	100	300	55	95	01.07.-17.07.2006.
	250	100	150	55	20	18.07.-31.07.2006.
Serbia > Romania	200	100	100	0	50	01.07.-31.07.2006.
Hungary > Romania	350	100	250	0	125	01.07.-31.07.2006.
Ukraine > Romania	100	0	100	0	100	01.07.-31.07.2006.
EXPORT						
Romania > Bulgaria	300	100	200	50	50	01.07.-17.07.2006.
	250	100	150	50	25	18.07.-31.07.2006.
Romania > Serbia	300	100	200	55	45	01.07.-07.07.2006.
	400	100	300	105	45	08.07.-17.07.2006.
	330	100	230	70	45	18.07.-31.07.2006.
Romania > Hungary	300	100	200	50	50	01.07.-17.07.2006.
	250	100	150	50	25	18.07.-31.07.2006.
Romania > Ukraine	150	100	50	0	50	01.07.-17.07.2006.
	-	-	0	-	-	18.07.-31.07.2006.

Remark: Sign - means that data is not available

Table 6: Transfer capacity data for Romanian borders

EMS - Serbia: www.ems.co.yu						August 2006.
ATC data web page: http://www.ems.co.yu/atc_en.htm						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Serbia	250	100	150	0	75	01.08.-31.08.2006.
Romania > Serbia	300	100	200	50	50	01.08.-08.08.2006.
	350	100	250	60	65	09.08.-31.08.2006.
Bulgaria > Serbia	350	100	250	0	125	01.08.-31.08.2006.
Macedonia > Serbia	450	100	350	0	175	01.08.-31.08.2006.
Albania > Serbia	260	50	210	0	105	01.08.-31.08.2006.
Montenegro > Serbia	600	150	450	0	225	01.08.-31.08.2006.
BiH > Serbia	400	100	300	100	50	01.08.-31.08.2006.
Croatia > Serbia	400	100	300	0	150	01.08.-31.08.2006.
EXPORT						
Serbia > Hungary	250	100	150	0	75	01.08.-31.08.2006.
Serbia > Romania	200	100	100	0	50	01.08.-31.08.2006.
Serbia > Bulgaria	300	100	200	0	100	01.08.-31.08.2006.
Serbia > Macedonia	400	100	300	50	100	01.08.-08.08.2006.
	400	100	300	60	90	09.08.-31.08.2006.
Serbia > Albania	260	50	210	0	105	01.08.-31.08.2006.
Serbia > Montenegro	580	150	430	110	160	01.08.-31.08.2006.
Serbia > BiH	300	100	200	50	50	01.08.-31.08.2006.
Serbia > Croatia	350	100	250	0	125	01.08.-31.08.2006.

Table 7: Transfer capacity data for Serbian borders

MAVIR - Hungary: www.mavir.hu						August 2006.
ATC data web page: http://www.mavir.hu > Market > Cross-border capacity > Actual Auction						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Hungary	300	200	100	50	0	01.08.-31.08.2006.
Romania > Hungary	350	100	250	50	75	01.08.-31.08.2006.
	-	-	200	-	-*	23.08.-31.08.2006.
Serbia > Hungary	250	100	150	50	25	01.08.-31.08.2006.
EXPORT						
Hungary > Croatia	1200	200	1000	100	400	01.08.-31.08.2006.
Hungary > Romania	350	100	250	25	100	01.08.-31.08.2006.
	-	-	200	-	-*	14.08.-31.08.2006.
Hungary > Serbia	250	100	150	25	50	01.08.-31.08.2006.

Remark: Sign - means that data is not available

* Curtailment procedure will be conducted due to planned maintenance

Table 8: Transfer capacity data for Hungarian borders

ELES - Slovenia: www.upo.eles.si						July 2006.
ATC data web page: http://www.upo.eles.si/modload.php?&c_mod=static&c_menu=1094812046						
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Slovenia	-	-	750	-	0 or 275*	01.07.-17.07.2006.**
EXPORT						
Slovenia > Croatia	-	-	1000	-	0 or 500*	01.07.-17.07.2006.**

Remark: Sign - means that data is not available

* Realized (weekly) values from the beginning of the month

** Validity period is the one (following) week

Table 9: Transfer capacity data for Slovenian borders

TSOs of Serbia, Hungary and Slovenia already published (well in advance) ATC values for the following month, while on the web sites of Bosnia and Herzegovina, Montenegrin and Romanian TSOs there

are still values for the current month (which is already allocated). On the web sites of Greece and Slovenia there are also (incompletely) data for current month, but as a consequence of the applied allocation process. TSOs of Croatia and Macedonia have only data for the previous month that is quite unacceptable because it is not transparent and not useful at all.

From Tables 1 - 9 it can be seen that values of TTC and consequently NTC, vary from one border to another. The main cause is different electrical connection by overhead transmission lines between TSOs (voltage level of the lines and their number). Reinforcement existing or building new lines will increase transfer capacities, making room for more flexible cross-border trade with preserving electric power system security at the acceptable level.

Another thing that can be seen from Tables 1, 2, 4, 6, 7 and 8 is that during one month there are few segments with different TTC and consequently NTC data. The reason for this segmentation are maintenance works on significant internal line(s) (causing its disconnection for some time), which influences transfer capacities during disconnection of that line(s). In the case of disconnection (for maintenance works) of interconnection line on the border where this is the only line (there are a number of such borders in the region), TTC and NTC values will be zero meaning that no cross-border transactions can be realized during this period. In such case, an alternative "contract path" across other borders should be found in order to realize transaction between TSOs with no electrical connection at this moment. Because transfer capacities are very sensitive to disconnection of significant internal (mostly 400kV) and of course interconnection lines, plans of maintenance works on such lines should be timely published but very few of analyzed TSOs do it so.

In the following Table 10, dates of ATC values publishing for monthly allocation of transfer capacities until the end of this year is presented. In addition, applied method of capacity allocation is stated, as well as time frames for which allocation is applied and information about availability of results of previous allocation rounds.

Country	Dates of ATC values publishing for month:					Allocation method	Time-frame	Results data available?
	August	September	October	November	December			
BiH	18.07.2006.	17.08.2006.	-	-	-	pro-rata	month	no
Croatia	-	-	-	-	-	pro-rata	month,day	no
Macedonia	-	-	-	-	-	pro-rata	month	no
Montenegro	-	-	-	-	-	priority list	month,day	no
Romania	-	-	-	-	-	auction	year	YES
Serbia	10.07.2006.	07.08.2006.	11.09.2006.	09.10.2006.	13.11.2006.	pro-rata	month	yes*
Hungary	03.07.2006.	03.08.2006.	04.09.2006.	05.10.2006.	03.11.2006.	auction**	year,month	YES
Slovenia	***	***	***	***	***	auction	week	YES

Remark: Sign - means that data is not available

* no historical data, only for the current month

** common (single) auction on Slovenia-Croatian border

*** Data available well in advance for the weekly auctions, at latest two days prior to auction

Table 10: Review of ATC publishing dates, applied capacity allocation method, time-frame for the allocation and information about availability of allocation results on TSOs web sites

From the previous Table 10 it can be seen that very few TSOs have full time-table for monthly allocation (only EMS - Serbia and MAVIR - Hungary). Monthly time-frame is widely applied (except for Slovenia-Croatia border where time-frame is week). In addition, half of the TSOs in question do not publish results of conducted allocation of transfer capacities. Currently most applied method for capacity allocation is pro-rata method.

Regarding transparency of market related data, among which ATC values are very important, one can notice that in spite of remarkable development of allocation procedures, compared to previous years, there are still problems with (regular) publishing of related data and information.

Number of TSOs currently applies "temporary" (mostly not market-based) rules for capacity allocation and development in the course of the more market-based methods (such as explicit auctions) are

expected in the near future. In parallel with these plans, method of Flow-based Coordinated Auctioning of Transfer Capacities (similar with one currently implemented in Central-Eastern Europe) is investigated in the region for couple of years with dry-run implementation during this year. After dry-run period is expired at the end of 2006, decision will be made about real implementation of this method for joint transfer capacity allocation in the large part of South East European region.

Fair, transparent and market-based transfer capacity allocation is needed to remove one more unnecessary obstacle to cross-border trade of electricity.

News:

Italian government extended 51.5 million euro loan for electricity sector, cooperation in gas sector also (Albania)

Italian government has extended 51.5 million euros loan to Albania. The mid-term loan will be used for establishment of Albania's Transmission system operator and for the construction of new substations and power lines.

In the same time, Albania's prime minister, along with several ministers, and officials from Italian region of Puglia have discussed on construction of natural gas pipeline across Adriatic Sea. The potential gas pipeline would originate from Brindisi in Italy, where British investors should build liquefied natural gas terminal (LNG) in 2007th.

§ § §

Construction of oil basin at the Porto Romano (Albania)

The Council for regional planning of Albania has approved the permit for construction of oil and liquefied gas basins in the Porto Romano, near city of Durrës. The project will be carried out by Romano Port company.

The 20 million euros worth project will be entirely funded by Albanian investors. The entire project's facilities would occupy territory of over 50 hectares, where basins will be spread over 6,000 square meters.

§ § §

Misconducts of KESH's financial reports (Albania)

General manager of Albania's power corporation (KESH) said in the parliament of Albania that financial reports of KESH have been inaccurate in the past two years.

He said that some officials in KESH were responsible for misconducts by presenting one report for donors, other ones for public and many others for different institutions.

The financial data were seriously manipulated by falsifying the cash incomes and this was reported to the state prosecutor, general manager confirmed. He said that financial reports have also hidden the debts of KESH in aforementioned period.

§ § §

Signing of five concession contracts for HPPs (Bosnia and Herzegovina)

Within the project called Concession, five concession contracts for construction of small hydro power plants (HPPs) have been signed in the premises of Ministry for agriculture, forestry and water management of Zenica-Doboj County.

The first two contracts have been signed by Ministry and local company Primus energy. Primus energy will build and operate two HPPs on Gostovic River.

HPPs will have power output of 0.8 MW and 1 MW, with annual production of 4.3 GWh and 5 GWh respectively.

In the same time, concession contracts for three small HPPs in Olovo municipality were signed. The two HPPs on Stupcanica River should have power output of 1.7 MW and 1 MW, with annual power production of 8.5 GWh and 5.89 GWh respectively. The third HPP will be built on river Orliji and it should have power output of 0.5 MW and annual power production of 2.84 GWh. Overall worth of those three projects in Olovo municipality will be 3.75 million euros.

The concession contracts have been signed for period of 30 years, and the concessionaries will be obliged to prepare main project papers, acquire all necessary permits, build all HPPs and put them in operation in the next two years.

In the related news, Turkish company Calik Enerji has requested from the government of Zenica-Doboj County granting the concession contract for construction and operation of four small HPPs on rivers Biostica and Krivaja. Overall power output of those plants should be 10 MW, with estimated annual power production of 42 GWh.

Turkish company is involved in oil business, telecommunication services and electricity trade and production.

§ § §

Bank Austria Creditanstalt blocked accounts of Energopetrol (Bosnia and Herzegovina)

Austrian bank, the Bank Austria Creditanstalt (BA-CA), holder of the mortgage of Sarajevo oil company Energopetrol, has blocked all accounts of Energopetrol by activating 10 million euro bond, which was considered as the first step to the activation of mortgage over office building and 25 the best petrol stations of the oil company. Management of Energopetrol immediately informed government of Federation of Bosnia and Herzegovina (BiH) on the latest developments.

As a reminder, Energopetrol is currently in the privatization process. The best-ranked bidder in the tender procedure was Croatian-Hungarian consortium INA-MOL, but the negotiations were stopped when INA-MOL did not want to pay additional debts of the company, which, according to INA-MOL, have not been presented in the original tender papers.

In the same time, several ministers and political parties in BiH, among them vice prime minister and energy minister, have strongly opposed for INA-MOL to become future owner of Energopetrol.

Vice prime minister said that this was another proof that privatization procedure could not be carried out with INA-MOL. He announced proposal for finding the funds for buying out the mortgage from BA-CA.

Energy minister also believes that mortgage should be taken over by the Investment bank of BiH, but first, Commission for privatization of Energopetrol should make their statement and proposal for solution of the problem.

After 10 million euros bond was activated, all payments to the Energopetrol's account will be directed to BA CA until debt was settled.

§ § §

Increase in natural gas prices by 20 % (Bosnia and Herzegovina)

Minister of trade in Federation of Bosnia and Herzegovina (BiH) announced increase in natural gas prices in BiH of 20 %.

The price increase was explained by the rise in natural gas and oil prices in World market. The Russian Gazprom, the main supplier of BiH, has reached decision on new higher prices, minister confirmed.

Instead of previous price of 243 euros per 1,000 cubic meters of gas, new price of natural gas for domestic customers should be 292 euros, ministry of trade proposed.

The proposal should be approved by government of federation of BiH.

The natural gas distributor BH Gas has recently reported 4.35 million euros of losses in 2005th. The main reason for business loss was the difference between imported and retail gas prices determined by the government, auditors' office confirmed.

In 2005th, the gas sales have reached record level, but the increase in sales was not sufficient to cover the losses. The net loss for BH Gas in 2004th was 5.5 million euros.

§ § §

Government decided to sell Energopetrol to INA-MOL (Bosnia and Herzegovina)

Government of Federation of Bosnia and Herzegovina (BiH) decided that national oil company Energopetrol would be sold to Croatian-Hungarian consortium INA-MOL.

The negotiations between government and INA-MOL lasted more than a year, and prime minister of Federation of BiH confirmed that proposal for privatization contract would be signed in the second half of July.

Government instructed Commission for privatization of Energopetrol to make some smaller changes in privatization contracts that was earlier signed, in order to ensure privatization contract becomes valid. The contract proposal would be subsequently presented to the Supervisory board and Shareholders assembly of Energopetrol, which should also approve the contract, after which contract should be signed.

According to the privatization contract, INA-MOL will acquire 67 % shares in the national oil company, where 22 % of shares would remain in state hands and minority shareholders will own 11 % of shares. The ownership structure should remain unchanged in the period of three years starting from signing of the privatization contract.

INA-MOL consortium should invest about 30 million euros for the recapitalization of Energopetrol, and it was obliged to carry out 76.7 million euros worth investment program.

The existing debts of Energopetrol would be settled also and most of the debts would be paid by transferring ownership over oil terminals to the government of BiH.

In the same time, 5.2 million euros will be paid to government for the recapitalization rights. INA-MOL has been obliged to preserve all of 1,059 employees of Energopetrol.

The Commission for privatization has informed BA CA bank, which activate the 10 million euros bond, that privatization contract was harmonized and that bank should unlock the Energopetrol's account.

According to the latest news, Tax administration of Federation of BiH has announced freezing the account of Energopetrol in order to collect some 5 million euros of debts. Having in mind that BA CA bank has blocked the account of Energopetrol first, Tax administration could confiscate the company's property in order to collect debts.

Head of Tax administration said that law had to be obeyed despite the announcement of government on signing the privatization contract. The tax debts of Energopetrol refer to the past period, where Tax administration has been delayed the paying of debts since 2003rd.

§ § §

Privatization agency officially selected PPC to be new owner of TPP Bobov Dol (Bulgaria)

After recent decision of Bulgaria's Supreme court, that accepted appeal of Greece's Public power corporation (PPC), Privatization agency (PA) has officially selected PPC to sign the sale contract for 100 % of shares in thermal power plant (TPP) Bobov Dol (630 MW).

PPC was the first ranked bidder in the tender procedure, held in April last year, and subsequently cancelled by PA due to low offered prices in the tender.

By the mid the mid September, PA and PPC should carry out necessary negotiations in order to sign the privatization contract.

PPC should pay 71 million euros in cash and it should invest 34.2 million euros for the capital stake increase. The second ranked bidder, the Italian Enel has offered only 150,000 euros in cash for the TPP.

Head of PA confirmed that Bulgaria would not try to get higher price for the TPP during negotiations, but only to provide guarantees that PPC would buy coal for the plant from the local coalmine.

From the very beginning of privatization of TPP, 2,700 workers in local coalmine Bobov Dol have feared that new owner of TPP would not be interested in coalmine.

Officials from PPC did not comment the latest decision of PA, but the experts believe that sale contract will be certainly signed, because TPP Bobov Dol should produce electricity at favorable prices that will be exported to Greece.

§ § §

CEZ and NEK reached reserve capacity agreement for TPP Varna (Bulgaria)

Czech CEZ, a new owner of thermal power plant (TPP) Varna has signed the reserve capacity agreement with Bulgaria's National transmission system operator (NEK).

In the next five years, TPP Varna will receive fee for maintaining the reserve production capacity, which could be used by NEK in any time to meet peak demand.

The agreement still needs to be approved by management board of CEZ. As reminder, CEZ has bought 1,260 MW TPP for 206 million euros.

In the same time, CEZ announced that its three power distribution companies in Bulgaria would spend some 9.8 million euros for the purchase of transformers and mid-voltage aerial power lines and underground cables during 2006th and 2007th.

§ § §

Two heating power companies to be privatized (Bulgaria)

Bulgaria's Privatization agency has announced sale of two more heating utilities, the one in Plovdiv and another in Varna.

Potential investors need to have experience in the production and/or distribution of heat or electrical energy. The annual sale volume of future owner needs to be 600 GWh of electrical energy or 1.8 million MWh of heat energy in the last three financial years.

Offshore companies will not be allowed to participate in the tender procedure, and Privatization agency expects bids from Gazprom, Dalkia, EVN, E.ON and Enel.

In the related news, the former head of heating utility in Sofia was arrested for 72 hours in the beginning of July being charged for money laundering and tax evasion.

This was the culmination of the investigation on malpractices in Sofia heating company in the last several years.

Chairman of Energy and Water Regulatory Commission (SEWRC) said that SEWRC was not responsible for the financial abuses in the company, while the Bulgaria's energy minister said that malpractices in Sofia heating company were well-known to the local authorities, who ruled in Sofia in the last ten years.

On the other hand, Sofia major said that he discovered malpractices in the heating company and accused the Bulgarian socialist party, to which energy minister belongs, for being the part of the management of company in the aforementioned period. Energy minister strongly denied such claims saying that he himself ordered financial investigation in the company, and he described claims of Sofia major as lies.

In the same time, local television reported that investigators have found secret bank account in Austria, with 1.5 million euros of deposit, which belongs to the former director of Sofia heating company.

§ § §

Governments of Bulgaria and Greece expressed same

standpoints on Burgas – Alexandropoulos oil pipeline (Bulgaria & Greece)

In the beginning of July in Sofia, Bulgarian and Greek officials have had a meeting on the construction of oil pipeline Burgas- Alexandropoulos. Two sides have expressed the clear standpoint that Bulgaria, Greece and third partner Russia should have equal share in the project.

Bulgaria and Greece disagreed with the recent proposal of Russian companies, the TNK-BP, Rosneft and Gazpromneft, during the meeting in Moscow in the beginning of June, that Russia should have 51 % in the project and that Bulgaria and Greece participate in the project only by means of transit fees.

In the same time, Russian companies involved in the project have once again requested additional guarantees that future joint venture would be profitable.

§ § §

440 MW unit in NPP Kozloduy finished maintenance works (Bulgaria)

In the beginning of July, two days before it was scheduled, 440 MW unit in nuclear power plant (NPP) Kozloduy was put back in operation after successfully finished maintenance works. The unit was refueled along with standard maintenance works.

Two other 440 MW units and one 1,000 MW have been working at the full capacity, while one 1,000 MW unit was shut down due to regular maintenance works and it should be back in operation in September.

§ § §

Czechs and Russians invited to improve bids for NPP Belene project Bulgaria)

Bulgaria's National transmission system operator (NEK) has asked from consortiums led by Czech Skoda and by Russian AtomStroyExport to improve their bids for construction of second nuclear power plant (NPP) in Bulgaria, the NPP Belene (1,000 MW).

The information was confirmed by reliable sources closely related to the project, Bulgaria's media reported. The source said that two consortiums have already improved their bids, in terms of prices and construction deadline.

One of the demands of NEK was reduction of construction deadline from 10 to 6 years. The main reason for such request was the forecasted lack of power capacity in 2011th- 2012th. This was confirmed by the head of NEK, but he did not reveal any of details.

In the same time, the officials from the project advisor, the Parsons, said that both bidders have been earlier questioned on the technical and commercial issues of their bids.

Official from AtomStroyExport said that length of construction works would depend on supplier of equipment, while Skoda has offered to reduce the deadline for the first unit from 10 to 6 years, and for the second unit from 10 to 8 years.

The Parsons should prepare the report taking in consideration the latest deadline adjustments.

§ § §

E.ON Bulgaria to invest more than 20 million euros in 2007th (Bulgaria)

The member of Management board of E.ON has announced that Bulgarian subsidiary, the E.ON Bulgaria EAD, would invest over 20 million euros in 2007th (the budget for 2006th is 22 million euros). The funds will be mostly invested for infrastructure projects.

This was announced during the opening ceremony of new E.ON's substation in city of Varna. The area of tourist resort of Varna has been experiencing the large number of construction projects of residential buildings and hotels.

4.1 million euros was spent for new substation, which will enable supply of additional 25 MWh in the region, i.e. to supply some 10,000 customers. The main constructor in the project was ABB Bulgaria.

Seven power transformers were installed to supply Konstatin&Elena resort, the Briz residential district and the Trakata villa zone, while another eight transformers should be put in operation by the end of July to supply several villages near Varna.

Another substation should be put in operation in Byala in September or October this year, where some 3.6 million euros should be invested in the project.

E.ON official confirmed that new investments would certainly led to the increase in electricity prices, but they did not reveal the exact percentage of increase. In the same time, he announced that E.ON would take part in privatization tender of Varna heating utility.

German power company E.ON is the owner of 67 % of power distribution companies in Varna and Gorna Oryahovitsa.

§ § §

Privatization agency wants out of court settlement with EVN (Bulgaria)

Bulgarian Privatization agency wants to have out of court settlement in the dispute with Austrian power company EVN regarding the power distribution company in sea resort Sunny Beach.

According to EVN, the particular power distributor should have been the part of the privatization contract for power distributors in Stara Zagora and Plovdiv, where EVN holds 67 % of stake. The privatization obligation was obstructed by minority shareholders in Sunny Beach.

So far, EVN did not comment offer of PA regarding the out of court settlement.

§ § §

Presentation of privatization model of INA might be delayed until September (Croatia)

Although it was expected that privatization model of the second phase of privatization of Croatian oil industry (INA) would be presented before the summer vacation, the official presentation could

be delayed until the September. This was published by Croatian press, which quoted reliable sources.

The government has been currently looking for suitable person, which would present new model in the best manner. The privatization model could experience several changes due to strong political influence comparing to the proposal presented by privatization advisor Merrill Lynch –RBA, sources said.

Experts estimated that the latest development would affect share price of INA during the Initial public offer (IPO), where price of shares could be lower than expected.

Another reason for possible decrease in share prices could be the latest agreement between three trade unions and INA, which defined that 7 % of shares would be transferred to the current and former employees of INA. Officials from trade unions denied that the agreement would have some negative impact on share worth, saying that due to certain benefits granted to employees, agreement between trade unions and INA has defined lock up period, during which employees would not be allowed to sell shares to the third persons. During lock up period, employees would be allowed to sell shares exclusively to the state through the stock exchange.

Another potential problem could be the fact that government did not adopted changes in Law for privatization of INA, which experts considered as doubtful in many points.

The government did not accept the proposal of privatization advisor that only employees that are Croatian citizens at the moment could be entitled for shares, so that all former employees of INA from former Yugoslavia would have right to acquire 7 % of shares.

The latest audit report have showed that former government has sold 25 % of shares to Hungarian MOL, but Hungarians have been granted 75 % of managerial rights in INA. This is considered as the fact that could discourage potential investors. Because of that, former government was advised to change the shareholders agreement with MOL, but this was also discarded fearing that it could further delay IPO.

§ § §

Janaf insists on Adria project (Croatia)

The management of Adriatic oil pipeline (Janaf) is still hoping that Administrative Court will accept Janaf's appeal regarding the decision of Ministry of environmental protection, and reevaluate the environmental impact of Adria project.

General manager of Janaf believes that special commission has rejected feasibility study on environmental impact due to strong external pressure, which led to the mistakes during the evaluation procedure.

Janaf's official has reminded authorities and public in Croatia that Janaf was authorized company from Croatia in the interstate project supported by Croatian government.

Janaf, as an oil transport company, was authorized to prepare technical-technological realization of the project, which has been already done. In the meantime, Janaf took part in new energy policy of safe oil supply, which includes Pan European oil pipeline.

Janaf believes that both projects could be successfully carried out, without further extension of Croatian oil pipeline network.

On the other hand, the restart of Adria project was mostly related to the standpoints of Russian partners in the project and their intention to transport oil to Omisalj, Croatian press said.

Official of Russian oil company TNK believes that project was not over yet. He has proposed the changes in the project, which would imply that oil delivered on island of Krk should not be further transported by tankers, yet it should be processed and refined in oil refinery in Rijeka. The oil derivatives would be than transported by railway or by roads. This would exclude use of tankers in oil transport and the negative environmental impact.

§ § §

No increase in electricity prices, increase in power consumption in seacoast (Croatia)

Croatian minister of industry, labor and entrepreneurship said that there would be no increase in electricity prices in the future period. In the same time, Power utility of Croatia (HEP) should reduce its operational costs.

In the related news, HEP has reported increase in power consumption in the seacoast region of Dalmatia due to extremely high temperatures and high usage of air conditioning devices. The power consumption reached the winter level of 12 GWh per day, when the electricity was used for heating. All hydro power plants in the area have been operated at full capacity.

§ § §

Regional cooperation of HEP-TSO, MAVIR and ELES (Croatia)

Hungarian transmissions system operator (MAVIR) hosted the meeting attended by Slovenian transmission system operator (ELES) and Power utility of Croatia –Transmission operator (HEP-TSO) in the end of June.

The main topics of the meeting were the start of regional cooperation in development of power transmission network vital for all three TSOs. New power network should be built in accordance to construction of new power production capacities or connection of new customers to power network, the forecast of which is expected to be difficult in the new environment of liberalized electricity market.

In the separate meeting between MAVIR and HEP-TSO, two companies have analyzed the current activities related to the preparation works for construction of double 400 kV interconnection line Ernestinovo (Croatia) – Pécs (Hungary).

§ § §

The largest wind farm installed (Croatia)

Near the city of Sibenik, 14 wind turbines in the future largest wind farm in Croatia have been placed at the construction site. In the next period, wind generators should be tested, and the overall power output of new farm will be 11.2 MW.

The wind farm will be operated by company Wind farm Trtar-Krtolin, founded by German companies WPD and Enersys.

Enersys has invested some 14 million euros in the project, out of which 13 million euros were the loans from Bank Austria Creditanstalt and Zagreb bank, with payment period of 14 years. German company Enercon and two local companies manufactured the equipment for the wind farm.

The new investment is proved to be economically justified, having in mind that construction site should have 3,000 of windy hours per year, comparing to 2,200 hours, which is considered as low limit for wind farms.

Annual electrical energy production of new wind farm should reach 30 GWh, where all produced electricity will be sold to Power utility of Croatia in the next 15 years.

According to the land planning of the Sibenik County, there are another 14 sites suitable for construction of wind farms. Enersys has requested construction license for building of 12 new wind generators (0.8 MW each) in the same area.

Besides German companies, Austrian and Spanish companies have expressed interest for construction of wind farms in the Sibenik County, i.e. in the areas where the wind surveys have been already done.

In the same time, German company BEWAG announced construction of four wind farms, while local company Dalekovod with German partners plans to build one wind farm in Ervenik, also in Sibenik county.

Overall worth of those investments is estimated at 200 million euros.

§ § §

The report on business results of HEP in period January – May this year (Croatia)

Management board of Power utility of Croatia (HEP) and board of directors of HEP have presented business results in the first five months of 2006th during the short meeting. General conclusion was that positive trend of business activities of HEP was successfully continued.

According to data, electrical energy consumption in Croatia increased by 3.2 %, where HEP has provided sufficient amount of electrical energy for its customers. The profit of HEP increased by 12 % in aforementioned period. Officials of HEP said that restructuring of the company has been carrying out in accordance to plans. Since July 1st, 25 % electricity market in Croatia was liberalized, HEP officials concluded.

Due to extremely high power consumption during the summer heat, directors of HEP were particularly instructed to provide safe power supply, especially during the tourist season.

§ § §

Liberalization of electricity market continues, Corlea granted the license for power supply (Croatia)

Since July 1st this year, the number of qualified power customers, which have a right of free choice of power supplier, has increased by some 100.

Despite that, beside monopolistic Power utility of Croatia (HEP), only power trader Corlea has applied for electricity trade license, which was approved by Croatian energy regulatory agency (HERA).

It is expected that several other foreign and local companies would follow Corlea's example, soon after finishing several sub legal acts, which will regulate electricity market in Croatia.

Despite the free choice option, existing 39 qualified customers has renewed its power supply contracts with HEP, for the period after July 1st. 16 qualified customers have signed contracts with HEP, and rest of them still have a status of tariff customers. Qualified customers spend 16 % of overall power consumption in Croatia.

The market opening was achieved by reducing the required annual power consumption from 20 GWh down to 9 GWh. New qualified customers will have 6 months period to sign contracts for power supply and contracts for power network access.

After that, some 25 % of electricity market in Croatia will be liberalized, while entire legislation regarding electricity market should be defined by the end of this year.

After July 1st 2007th, the status of qualified customers will be granted to all customers, apart for households and small enterprises, which will be granted the same status on July 1st 2008th. By this, Croatia will have 100 % liberalized electricity market.

The government of Croatia has already reached decision that all power customers, apart from households and small enterprises (under 50 employees and annual incomes below 9.65 millions euros), will have six month time to choose its power supplier.

In the same time, households and small enterprises will be entitled to use public services and to pay the electricity prices determined by government, even after July 1st 2008th. The 2 million households' customers spend 42 % of overall power consumption in the country.

According to HEP's data, the power consumption of qualified customers have constant growth. In 2004th, power consumption reached 854 GWh and it increased at 898 GWh in 2005th (5 % increase).

§ § §

Meeting of HEP-OPS and RTE EDF Transport (Croatia)

In accordance to the agreed cooperation between French RTE EDF Transport (French transmission system operator) and Power utility of Croatia –Transmission system operator (HEP-OPS), the experts from RTE have organized two experts seminars in Croatia in period 3rd – 7th July in order to present new information communication technologies (ICT).

The main topics of seminars were the System of accounting measurements and Tasks and activities of transmission system operators.

RTE's experts have presented in detail all basic principles and technical solutions implemented and RTE. They announced new seminar to be held in September.

In the related news, HEP-OPS informed the public that the construction of 220 kV power line Plomin – Vodnjan, the current most important and the largest investment in Croatia's power grid, has been developing in accordance to plans.

The construction of new power line has started in the beginning of this year in order to provide sufficient capacity for increased power consumption, particularly in the region of Istra peninsula.

New power line, 33 km long, will operate under 110 kV voltage until 200 kV substation Vodnjan was built. Until now, some 50 % of power line has been constructed, and the construction works should be finished in April 2007h.

§ § §

The lowest electricity prices in EU (Greece)

According to the latest report by Eurostat, the lowest electricity prices for households in EU are in Greece, with 8 eurocents per kWh of electrical energy.

The highest price of 24.48 eurocents/kWh has been paid customers in Slovakia when the price is adjusted according to the purchase power in particular country.

The highest absolute price of 23.62 eurocents/kWh was paid by customers in Denmark.

Industrial customers in Italy have been paying highest price of 12.04 eurocents/kWh, while the lowest price of 4.09 eurocents/kWh was paid by industrial customers in Latvia.

The Eurostat's research was based on price of goods from January this year and it refers to annual consumption of 3,500 kWh per year for households' customers and 2,000 MWh for industrial customers.

§ § §

Government called for the rational use of electricity (Greece)

In the beginning of July, government has urged Greek citizens to use rationally electricity during July, when the peak consumption is expected.

Development minister was the last one to repeat this appeal, and he reminded that most critical period during the day for Public Power Corporation (PPC) would be between 11 a.m. until 3 p.m.

In the same address, minister said that PPC has allocated 25 % of incomes or some 800 million euros per year for the modernization projects.

Talking about fuel prices, minister said that despite the increase in international fuel prices of 140 % since 2004th, the fuel prices in Greece rose only by 40 % in the same period. In this moment, fuel prices in Greece were 20 % below European average, he said.

The latest increase in fuel prices of 2 eurocents per liter, occurred 30 months since the last one, was done in accordance to EU requirements and it should be evenly distributed until 2009th.

§ § §

TPP Negotino exports electrical energy to Greece (Macedonia)

In the beginning of July, thermal power plant (TPP) Negotino (200 MW) was put in operation after four years of standstill.

The most expensive production capacity in Macedonia, which uses fuel oil as an engine fuel, was activated after TPP and Greece's Public

power corporation (PPC) signed lease contract. Macedonia's transmission system operator (MEPSO) has confirmed that the lease of the TPP Negotino by PPC was approved.

TPP would produce 90 MW for the purpose of PPC, and PPC would be able to use it only few months, until the privatization procedure for TPP Negotino was finished. TPP was sold to the new owner of Power distribution of Macedonia –Distribution (ESM), the Austrian ENV, who offered 4 million euros in cash and 750 million euros of investments for TPP.

PPC decided to produce electricity in TPP Negotino due to expected high power consumption during July and August, according to Greek press. Government's buildings and offices in Greece will be obliged rationally to use air conditioning devices and lighting, in the period July-August.

§ § §

Low quality of power supply, 600 new substations needed (Macedonia)

Officials from Power utility of Macedonia-Distribution (ESM) have confirmed that voltages in power network in the area of capital Skopje were many times below prescribed value of 220 volts. In most of the cases, the voltages range between 170 and 190 volts in some parts of the city.

ESM said that main reason was the illegal connections to distribution network, where investors, which construct new apartments and houses, did not acquire power licenses for connection of those new buildings to the power network.

Officials from Regulatory energy agency (REA) said that allowed fluctuations in voltage quality must not be higher from 5 %, where all customers with low voltages have a right to file the complaints first to ESM, and if the problems were not solved, to the REA. REA was authorized to demand from ESM to improve the quality of power supply, or to decrease the electricity prices due to inadequate quality of supply.

Due to aforementioned problems, ESM plans to build more than 100 new low voltage substations, which should be finished in the next 3 to 4 years. The estimations made by ESM before privatization, said that some 600 of low voltage substations should be built in the next ten years.

§ § §

MEPSO prepared evaluation for increase in electricity prices (Macedonia)

Macedonia's transmission system operator (MEPSO) has prepared evaluation for increase in electricity prices. The official request to the Regulatory commission should be submitted in mid July.

MEPSO should request 13 % price increase, which was unofficially announced two months ago by MEPSO. The main reason for price increase is high price of the imported electricity in the latest tender procedure, which was 40 % higher comparing to the last year. In the same time, MEPSO did not manage to buy all required amounts of electrical energy, but only until the end of this year, for which 55 million euros was paid.

Official from Regulatory commission said that final decision should be reached only after the approval of MEPSO' costs, but he also said

that price increase sounds reasonable in the situation when large part of the electricity has been imported.

In the same time, EVN, the owner of Power utility of Macedonia-Distribution (ESM) decided to wait the request for price increase that should be submitted by MEPSO, after which EVN will also request for price increase. MEPSO has been providing 100 % of electricity supplies for ESM.

§ § §

Increase in natural gas prices (Macedonia)

Oil and gas distributor Makpetrol has filed the request for regular quarterly adjustment in natural gas prices to the Regulatory commission, which should result in higher prices. The amount of the increase was not revealed as well as the validation of increase. The last time natural gas prices went up by 2 % in the beginning of May.

In the related news, government of Macedonia decided to pay 1.3 million euros for the debts made by Public gas company Gama. This was agreed in a protocol signed by government and Makpetrol, regarding joint management of natural gas transmission network until final solution of dispute over ownership of transmission network.

Gama is currently in process of restructuring into the joint stock company, where government and Makpetrol will own 50 % of shares each. New joint stock company will preserve name Gama and, in accordance to new energy law, it will manage transmission gas network. New company will employ workers of former Gama and some of the Makpetrol's employees.

§ § §

Privatization of TPP Negotino gets complicated, Canadian companies complained the tender results (Macedonia)

Canadian company Energy resources (ER), one of the participants in the latest tender for privatization of thermal power plant (TPP) Negotino, said that tender was framed so that EVN, the owner of Power utility of Macedonia –Distribution (ESM), could become the winner in the tender.

ER accused government of Macedonia for breaching the tender rules. EVN did not submitted bank guarantees for offered cash and investments for TPP, ER claims that EVN has demanded from government to change some tender conditions, implying that ER was unjustly disqualified from the tender.

Besides Canadian companies, the suspicions of this kind have been explicitly written by one local paper, which said that according to original tender list, ER was the first ranked bidder. The tender list was suddenly changed by Minister of economy, paper said. ER has offered 973 million euros of investments for the TPP, and it has provided bank guarantees of 100 million euros, unlike EVN who did not submit any of bank guarantees.

On the other hand, government officials explained that ER was disqualified due to inconsistencies in financial reports. ER claimed that papers were valid, where no one from government demanded additional data, according to ER. ER believes that their offer was the best and much better comparing to EVN's offer.

In the same time, another Canadian company that participated in the tender, the Hatch, also expressed doubts regarding the regularity of the tender. Hatch was fourth ranked company in the tender.

Hatch's officials also said that EVN has submitted incomplete tender documentation. Because of that, Hatch has been preparing a lawsuit against the state of Macedonia. Hatch said that EVN did not presented business and investments plans, while in the same time, EVN demanded several concessions from the government.

Although the current government has promised that privatization contract for TPP Negotino would be signed between new elected government (the parliamentary election were held in the beginning of July) and EVN, some sources imply that contract could be signed very soon.

Later on, minister of economy said that signing the privatization contract with EVN was still open issue.

The Energy commission of political party VMRO-DPMNE, the winner on the parliamentary elections, confirmed that new government would carefully examine the tender procedure for privatization of TPP Negotino and that it would not rush with signing of privatization contract. VMRO said that current government should not sign any of contracts with EVN. This issue should be discussed very soon by the government.

During the election campaign, VMRO was strongly opposed an idea for sale of 100 % of shares in TPP Negotino, and they confirmed that they did not change their point of view on this issue. As a reminder, VMRO was also against the sale of ESM to EVN.

Legal experts have confirmed that government has any right to decide not to sell the TPP even in this stage of privatization process. EVN and ESM did not comment the latest developments.

EVN has offered 4 million euros in cash and 750 million euros of investments for TPP Negotino, where EVN plans to increase power output of the plant from current 200 MW up to 955 MW. By this enlargement, TPP Negotino would become the largest power plant in the country.

Macedonian papers published news that EVN's officials have landed by helicopter to the TPP Negotino. The visit lasted some 15 minutes, and EVN's officials look around the plant. Director of TPP said that EVN was satisfied with the shape in the plant.

According to the latest announcements, current government of Macedonia could reach the decision on sale of TPP to EVN. Macedonian papers believes that if this happened, it would certainly cause suspicions that government had been favoring EVN in this tender procedure.

§ § §

EBRD sells its shares in ESM (Macedonia)

The representative of European Bank for Reconstruction and Development (EBRD) in Macedonia has confirmed that EBRD was in process of negotiations with foreign investors willing to buy EBRD's shares in Power utility of Macedonia –Distribution (ESM).

According to privatization contract for ESM, EBRD was given 2 months period to decide what would it do with its stake in ESM, i.e. whether it would keep it or sell it. According to EBRD's official, 2 months deadline will be slightly prolonged.

In May this year, EBRD has started talks with Austrian EVN, new majority owner of ESM, regarding its stake in ESM. In that time, sources suggested that EBRD was willing to keep its stake in ESM and to consider cooperation with EVN.

EBRD holds 19.1 % of shares in ESM, since in 2004th, the bank has granted 45 million euros loan in order to support privatization of former ESM. After restructuring of Macedonia's national power company, the share of EBRD in ESM was validated at 19.9 million euros, while the rest of the stake of EBRD was transferred in Macedonian power plants (ELEM).

§ § §

Statkraft should build power plants (Montenegro)

Norwegian company Statkraft is willing to build new hydropower cascade comprised of 4 power plants on Moraca River, Montenegro newspapers reported.

The worth of the joint venture projects between Statkraft and Power utility of Montenegro (EPCG) would be 400 million euros, and the project would be carried out in the next six years.

Statkraft representatives were very satisfied with the planned construction sites, newspaper claimed. Feasibility study for the construction of hydropower cascade Andrijevo, Raslovići, Milunović and Zlatica has been conducted, while the construction of hydro power plant on Komarnica River would be separate project. The hydropower cascade should have power output of 357 MW and annual production of 750 GWh, where the worth of the project would be 200 million euros.

The one of the potential projects is construction of hydro power plant Komarnica, which should have power output of 168 MW, with annual production of 231 GWh, where the costs of the construction should reach 100 million euros and it could be build in the next five to six years.

Statkraft produces some 42 TWh of electrical energy per year, and it is the second biggest producer of electricity from renewable energy sources in Europe.

§ § §

Regulatory energy agency to decide on price of electricity (Montenegro)

Director of Regulatory energy agency (REA) said that this institution, at the request of Power utility of Montenegro (EPCG), still has not prepared the report on allowable incomes of EPCG.

In this moment REA and EPCG have been collecting and analyzing necessary data, while the citizens should not expect drastic increase in electricity prices, official of REA said.

In the first request submitted by EPCG, long-term domestic and foreign debts of the company were not presented, including some other issues of the REA's concern.

In the first phase, REA should define regulated incomes for all four functional entities in EPCG. In the second phase, functional entity Power supply should submit request for new electricity prices for all categories of customers and daily tariffs, as well as requested fees for usage of transmission and distribution power network, fee for losses in power network and at last, the fee for supplier itself.

One of the conclusions recently adopted by shareholders assembly of EPCG, was that cooperation of EPCG and REA was continued during 2005th, but the cooperation was unsatisfactory. Board of directors of EPCG believes that not allowing the increase in electricity prices has caused considerable losses for national power company.

According to the last reports, long-term debt of EPCG reached 133 million euros, out of which 113 millions to foreign creditors and the rest to the domestic creditors, mostly to the government. The 96 million euro part of foreign debt was made during the establishment of EPCG and it was used for various development projects. The most of the funds has been owed to the London and Paris creditors clubs, and the rest to EBRD and EIB.

§ § §

Report on electrical energy production (Montenegro)

According to the report presented on the meeting of Board of directors of Power utility of Montenegro (EPCG), the power production in hydropower plants (HPPs) in the first half of 2006th was 18.3 % higher than planned, while the production in thermal power plant (TPP) Pljevlja was in accordance to plans.

The result was considered as very good considering the current renewal projects of 2 units in HPP Perucica (300 MW), and constant problems with coal supplies in TPP Pljevlja, which two times interrupted power production because of that.

The stored energy in storage lake of HPP Perucica is 35 GWh below the planned level and despite the good production results, EPCG would be missing some 40 GWh of electrical energy in July, which should be imported.

The main conclusion of the meeting was that renewal projects in HPP Perucica should be finished in accordance to plans, i.e. until October 15th. In addition, it would be necessary to solve coal supply problems in TPP Pljevlja as soon as possible in order to provide uninterrupted power production until the July 20th, when TPP will be disconnected from grid. In period of ten days, TPP will restock coal reserves in order to achieve planned production plans until the regular maintenance works prior the winter season.

§ § §

Announcement of privatization of state-owned oil company (Montenegro)

According to the newspapers in Montenegro, state will announce privatization tender for state-owned oil company Montenegrobonus (MB) as soon as the long-lasting court dispute with Hellenic Petroleum (HP) was finished.

As a reminder HP has become majority owner of former state-owned oil company Jugopetrol in 2002nd in the tender procedure. Soon after, state of Montenegro has established MB, which HP considered as unprecedented situation in privatization procedures, and HP has filed official complaint because of that.

Montenegro officials believe that several foreign and domestic investors will be interested in privatization of MB, newspaper said.

Executive director of MB confirmed that national oil distributor should be privatized through the tender procedure. The most seri-

ous candidates for purchase are Russian Lukoil and oil companies from Slovenia. The strategy of development of MB predicted construction of wholesale network and improvement of environmental standards.

MB still cannot use several oil warehouses due to court dispute with HP.

§ § §

TPP Pljevlja produced 122 GWh in June: privatization council approved tender results (Montenegro)

Thermal power plant (TPP) Pljevlja has produced 122 GWh of electrical energy in June this year, which was 11 % above the plan.

The operational conditions in the plant are considered as favorable, where TPP's power output is 200 MW. The coal reserves at the TPP's depots have been reduced and overall reserves at the beginning of July reached 22,000 tons, officials from TPP confirmed.

Management of TPP estimated that plant should be shut down for ten days, possible from July 20th, in order to restock coal supplies up to 50,000 tons.

In 2006th, TPP Pljevlja has produced 460 GWh of electrical energy, and annual plan is 1,000 GWh.

In the related news, Privatization council has approved the final list in the tender for privatization of TPP Pljevlja and sale of 31 % of shares in coalmine Pljevlja, according to which Russian EN Plus was announced as a winner. The tender list was defined by Tender commission on June 16th.

Privatization council has obliged the Tender commission to inform officially all tender participants on results of the tender and to invite the first ranked bidder to start the negotiations for signing the privatization contract.

EN Plus has offered 45 million euros for TPP and 5 million euros for shares in coalmine in cash, while it intends to invest 195 million euros in TPP and 78.7 million euros in the coalmine.

§ § §

Dismissals of general managers of Turceni and Rovinari power complexes (Romania)

The entire management of the power complexes in Rovinari and Turceni, including the general managers, the members of administration councils and the member of general shareholders' assemblies, were dismissed from their positions at the request of Control body of Ministry of economy and trade.

The decision was reached after Control body discovered several sale contracts signed at the prices considerably lower from production costs. Head of control body said that losses amounted to the several hundreds million euros.

The latest affair on the sale of electricity from aforementioned power plants to the private energy traders, which resold electricity to the state-owned power distribution companies at considerably higher prices, made double damage for the Romania's state power companies.

The affair was initiated by Romanian economy minister, after which several opposition parties accused minister itself and his party colleagues on participation in those unfair electricity trades.

Nevertheless, minister of economy confirmed that dismissed head of Turceni power complex was reappointed again. Minister clarified that former head of the company had the highest score in the selection procedure for election of new general manager.

§ § §

13 letters of intentions for units 3 and 4 in NPP Cernavoda (Romania)

Commission of Ministry of economy and trade has accepted 13 letters of intentions submitted by companies interested in construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda.

The companies that have qualified for the second stage of the negotiations are AES Corporation (USA), ALRO Slatina, consortium TESS Conex - ASAM - Iasi, consortium Ansaldo (Italy) - AECL (Canada), consortium Unit Investments (Luxembourg) - Dogan Enerji Yatirimlari / Dogus Holding (Turkey), Electrabel (Belgium), Electrica Bucharest, ENEL (Italy), E.ON Energie (Germany), Gabriel Resources (Canada), Iberdrola (Spain), KNHP (Republic South Korea) and RWE Power (Germany).

The Cerna Hora from Czech Republic and Afen from Romania were disqualified due to non-fulfillment of requirements prescribed by Ministry of economy and trade.

The negotiations with 13 selected companies and consortia will be conducted by evaluation committee. By the end of July, qualified companies should present final offers for setting up the joint venture with Nuclearelectrica, the current operator of NPP Cernavoda. The joint venture will be responsible for construction and operation of two units. NPP Cernavoda is designed to have 5 CANDU type of reactors, 700 MW each.

The future joint venture must provide 650 million euros of nominal capital, which would represent some 30 % out of 2.2 billion worth project. The selected company will have to contribute 50 million euros in cash in new joint venture. The rest of the necessary funds will be provided by loans.

In the same time, president of Nuclear Agency confirmed that unit 2 in NPP would be operational in June 2007th, after end of the test period that should start in September 2006th.

§ § §

Electrica published business results for 2005th (Romania)

Electrica Muntenia Nord, one of the three power distribution companies in the country that still have not been privatized, has reported 317 million euros of turnover in 2005th, which was decrease of 11 % comparing to 2004th. The gross profit reached 33.32 million euros.

In the same period, another branch of Electrica that still needs to be privatized, the Electrica Transilvania Nord, has reported net turnover of 85 million euros and net profit of 4.8 million euros in the first quarter of 2006th. In 2005th, company has reported net turnover of 287 million euros (6 % increase comparing to 2004th) and the net

profit of 11.8 million euros (0.2 million euros in 2004th). The company supplies some 1,109 million customers.

Until now, power distribution company Electrica has privatized five of its branches, the Electrica Muntenia Sud, Electrica Banat, Electrica Oltenia, Electrica Moldova, Electrica Dobrogea, and Electrica Muntenia Sud that has been recently sold to Italian Enel.

Besides Electrica Muntenia Nord and the Electrica Transilvania Nord, the Electrica Sud is still state-owned. These power companies have 33 % market share in Romania and ministry of economy and trade has recently announced that they would be soon privatized in one package. Romania has selected Rothschild group as a privatization advisor.

§ § §

Siemens and Transelectrica signed 5.74 million euros contract (Romania)

German Siemens and Romania's Transmission system operator (Transelectria) have signed 5.74 million euros contract for supply of provisions for Transelectrica's 400 kV substations in Nadab.

The substation Nadab, located near Chisinau-Cris city, should provide stronger connection between Romanian and Hungarian power systems. 400 kV substation Oradea will be linked through the Nadab substation with the Bekescsaba (Hungary). In addition, substation Arad, connected with Sandorfalva (Hungary) will be also linked with Nadab substation.

In this moment, apart from Nadab project, Transelectrica and Siemens cooperate in the Bucharest South, Iernut and Fundeni projects.

In the related news, Transelectrica has informed public that 4,861 investors have subscribed for 47.38 million shares with overall worth of 223.5 million euros during the initial public offer (IPO) in June.

Among 4,861 investor, 96 % of them are Romanian citizens, but domestic investors have subscribed for 70 % of shares (33.17 million shares), while the rest of 30 % of was subscribed by foreign investors. Transelectrica will sell overall amount of 7.3 million shares.

§ § §

26.5 million euro profit for Hidroelectrica (Romania)

In the first five months of this year, power producer Hidroelectrica has reported net profit of 26.5 million euros, where overall turnover reached 242.8 million euros.

General manager of Hidroelectrica presented aforementioned data, but he did not present comparison with the same period last year.

At the end of 2005th, Hidroelectrica reported profit of 72 million euros, and overall turnover stood at 587 million euros. The 17 million euros part of the profit was allocated for investment projects and the rest was used to cover record losses from year 2003rd.

In 2003rd, severe drought during summer has caused crises in Romania's energy sector and Hidroelectrica reported loss of 98 million euros.

§ § §

Energy Holding announced 36 % increase in net profit. (Romania)

Power producer Energy Holding (EH) expects increase in turnover of 36 % by the end of this year comparing to the last year. The increase should be mostly related to the recently signed contract with oil company Petrom, where EH was granted contract for power supply of 1,000 oil wells operated by oil producer. Petrom is the largest oil company in Romania, majority owned by Austrian OMV.

The worth of supply contract is estimated at 100 to 150 million euros. According to supply contract, EH will deliver 2 TWh of electrical energy until 2008th, which should amount to 2 % of overall power consumption in Romania.

In 2005th, EH has reported net profit of 10.2 million euros and annual turnover of 236 million euros. EH allocated 200,000 euros for investments projects in 2005th, and in 2006th, some 570,000 euros should be allocated for same purposes in 2006th.

EH operates five small hydro power plants (HPPs) under privatization contract signed with Hidroelectrica. In the period 2005th – 2010th, EH should invest 800,000 euros for renewal of this HPPs. EH has plans for purchase of new power plants in order to cover supply contracts mostly from its power plants.

EH's subsidiaries involved in power trading closely cooperate with power traders Romelectro and Energy financing team (EFT).

EH has also announced expansion plans in Balkans, where in this year, company should enter Bulgaria and Greek electricity market by establishing two subsidiary power supply companies.

§ § §

Postponement in privatization of Romgaz (Romania)

The head of Office for State Participations and Privatization in Industry (OPSPI) said that privatization of natural gas producer Romgaz, one of the largest ones in Europe, could be reconsidered after three years again. In this moment, government did not want to start the privatization despite the good financial situation in the company, head of OPSPI said.

Minister of economy recently confirmed that contract with privatization advisors of Romgaz should be signed soon, where the listing of the company should happen in two years.

The privatization advisor of Romgaz will be consortium of Credit Suisse First Boston, the Romanian-American Investments Fund (FRAI) and the law firm Linklaters.

The main objective of the advisor will be to evaluate reserves of natural gas and to propose the model for selling the shares in the company to the investors. Advisor should prepare the initial public offering (IPO) through which 5 % of Romgaz shares should be sold.

According to the latest financial report, Romgaz has reported 40 million euros of profit in the first quarter of 2006th, which was 38 % increase comparing to the last year. The overall turnover in same period reached 250 million euros (51 % increase).

In 2005th, Romgaz has reported 611 million euros of turnover, and 77 million euros of profit. Business plans for this year predicted 880 million euros of turnover.

Romgaz has produced 6.3 billion cubic meters of natural gas, which covered 36-37 % of domestic natural gas consumption. The rest of

domestic needs were supplied by Petrom, the second biggest gas producer in Romania, and by the imports from Gazprom.

Romgaz is 100 % owned by state, and company has initiated procedure for finding strategic partners in the last year. Until now, Lukoil, MOL, Wintershall, E.ON and Gaz de France have expressed interest for Romgaz's privatization.

§ § §

EPS signed 22.7 million euros contract with ThyssenKrupp. (Serbia)

General manager of Power utility of Serbia (EPS), director of Coal mine Kolubara and the representative of German company ThyssenKrupp have signed the contract for delivery of coal dredger for the open pit mine Kolubara.

The worth of the contract is 22.7 million euros and it will be financed by the loans from European reconstruction bank (EBRD) and KfW bank.

The purchase of coal dredger was the first out of five projects for tailing system intended to increase production capacity of coalmine field Tamnava-west. The overall worth of all projects is 70 million euros.

§ § §

2 billion euros of expected investments (Serbia)

Serbian minister of finance confirmed announcements for investments in electrical energy sector, particularly in production of electrical energy in hydro (HPP) and thermal power plants (TPP). Overall worth of investments is estimated at 2 billion euros.

Minister believes that such level of investments could provide continuous rise of export and employment rate.

Minister said that Serbia could become regional leader in production of electrical energy by construction of two new TPPs. He confirmed that construction of power plants was one of two priorities submitted in National investment fund.

One thermal power plant should be TPP Kolubara B and the other one should be built on administrative border with Kosovo. Overall worth of these two projects is estimated at 1 billion dollars and the TPPs should be built in period of two years.

§ § §

Privatization strategy for NIS approved (Serbia)

Ministry of energy and mining of Serbia has confirmed that workgroup of government of Serbia for coordination and supervision of Contract for services of privatization advisor of Oil industry of Serbia (NIS) has accepted Final report on privatization strategy of national oil company.

The report, submitted by privatization advisor, the consortium Merrill Lynch Inc and Raiffeisen Investment, would be presented to the government of Serbia for final review and adoption, ministry of energy and mining confirmed.

According to the official press release, the main aim of the government is to create competitive and profitable national oil company through the privatization process, where new company should be able to compete on liberalized regional and European oil market.

The government also wants further to liberalize domestic oil market, press release said. In this way, government expects more strategic partners willing to participate in privatization procedure, which are expected to initiate modernization of NIS, to establish new development management, to introduce new technologies and to obey the strictest environmental standards.

In the related news, minister of finance has confirmed that government could adopt privatization strategy for NIS by mid July, so that privatization tender could be launched in September this year.

In the same time, during the round table regarding privatization of NIS, Serbian minister of industry said that strategic partner could acquire 49 % of shares at most, during the first three years after signing the privatization contract. After that period, strategic partner could become majority owner of the company, but the state should keep the golden share option in NIS. He confirmed that government should reach final decision on privatization strategy in mid July.

According to sources, government should decide to sell 34 % of shares in NIS in the first phase. Until now, OMV, MOL, Hellenic Petroleum, PKN Orlean, Motor Oil, Petrol and Lukoil have expressed interest for privatization of NIS, minister confirmed. The main demand of Serbian government during the previous talks with interested companies was the modernization of oil refineries.

Former energy minister of Serbia said that prior the privatization of NIS, government should cancel the NIS's monopoly on import of almost all types of fuels. Due to such monopolistic position, NIS has been earning 300 million euros per year, which will become privilege of future strategic partner if government does not cancel monopoly of NIS.

Participants in the meeting reminded that among 10 oil companies in the region, 9 of them were already privatized, where in the first phase, governments had sold minority shares in the companies and after 3 to 10 years, strategic partners have become majority owners.

Only in Croatia, the government is still majority owner in oil company, the INA, privatization of which has started in 2003rd.

§ § §

NIS invested 4 million dollars for drilling equipment (Serbia)

Oil industry of Serbia (NIS) has invested 4 million euros for renewal of oil drilling equipment that will be used in the joint venture with Croatian oil industry (INA) in Egypt. The drilling equipment will be transported to Egypt in September this year.

The worth of the exploration project in Egypt is 14 million euros, and it would last for two years, with possibility to extend the contract. The half of the workers in Egypt would be provide by NIS. According to the contract between NIS and Crosco, the member of INA group, the operational costs during the project would be paid by INA.

Executive director of NIS also said that one oil platform would be shipped to Tunis by the end July. In Tunis, NIS will cooperate with Greek partners in oil explorations at sea. This would be fourth drill-

ing unit of NIS engaged abroad, and those four units are only ones that match international standards.

In the same time, director of development and investment department of NIS said that 50 million euros was invested for maintenance and reconstruction projects in the last two years. NIS is looking forward to several concession explorations and director expects that government and privatization advisor would approve such intentions.

§ § §

New cost methodology for connection to power grid (Serbia)

Regulatory energy agency of Serbia has adopted new rules and criteria, based on which the tariffs for connection to power transmission and distribution grid would be determined.

REA said that responsible energy subjects, through their legal acts and rules, would determine particular costs for connection to power grid in accordance to new methodology.

§ § §

Tenders:

Electricity

Company / organization:	EPS, Serbia
Call for offers for consulting services regarding restructuring of the EPS power utility	
Content:	Study shall contain the analyses, opinion and recommendations regarding: <ul style="list-style-type: none"> - possibilities for decreasing the costs and increasing the profit, - improving the organization and administrative functions and other services, - improving the strategy for investments and management with the investments, - possibilities for entrance of foreign capital. The study shall acquire and grade the influence of the formerly recommended measures for future total costs of EPS and its position at the Southeast Europe Regional Electricity market.
Deadline:	Job completion shall be with the end of 2006.
Contact:	Mr. Aleksandar Jakovljevic, tel: +381 11 3972 994, e-mail: aleksandar.jakovljevic@eps.co.yu JP "Elektroprivreda Srbije", 11000 Beograd, Vojvode Stepe No.412. – Direction for Strategy and Investments

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

Company / organization:	EBRD – European Bank for Reconstruction and Development, related Bulgaria
Power Transmission - Goods, works, services	
Content:	<p>Natsionalna Elecktricheska 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:</p> <p>A.2.2. Construction of HV line 400 kV Zlatitsa - Plovdiv, and Re-routing of existing 110 kV Lines.</p> <p>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).</p> <p>Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
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:	EBRD – European Bank for Reconstruction and Development, related Bosnia And Herzegovina
Power Distribution Reconstruction Project - Goods, works, services, consultancy	
Content:	<p>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:</p> <p>(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;</p> <p>(b) Works for the installation of the aforementioned items;</p> <p>(c) Consulting services to support the three Project Implementation Units established by the three power utilities</p>
Deadline:	10 Nov 2006 at 23:00, Zagreb time
Contact:	Mr. Nedeljko Despotovic, PIU Director Tel: +387 33 751 030 , Fax: +387 33 751 033 Mobile: +387 61 227 208 Email: n.despotovic@elektroprivreda.ba

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

Company / organization:	EAR, related Romania
Supply for the Romanian Regulatory Emergency Response Centre Afumati, Romania	
Content:	The contract aims to the supply of the necessary equipment for the Emergency Response Centre belonging to the Romanian Nuclear Regulatory Authority (CNCAN). The required supply of equipment consists of both hardware and software needed for an operational emergency centre and dedicated communication equipment. LOT 1: Comprising three groups: Power Generator and Electrical Systems; Computer systems, Peripherals and Communications Equipment; Audiovisual Aids and Sundries LOT 2: Comprising dedicated Radiological Survey Equipment, Systems and Software LOT 3: Intervention Mobile Laboratory Vehicle
Deadline:	22 August 2006, 11.00 hrs local time
Contact:	Adrian Gavrilesu, Project Officer, E-mail: adrian.gavrilesu@cfcu.ro Tel: 0040 21 326 55 55 Fax: 0040 21 326 87 30, 0040 21 326 87 09

Company / organization:	EAR, related Bulgaria
Implementation of the EU Directives 2003/54/EC on internal market in electricity and 90/547/EEC on transit of electricity through transmission grids, for the implementation of EU standard ETRF 89 and European Geostationary Navigation Overlay System (EGNOS).	
Content:	The delivery, installation, commissioning, training (for Lots 1 and 3) and maintenance within the warranty period by the Contractor of the equipment for the geographic information system (GIS) of the Bulgarian high voltage transmission networks in three Lots Lot no 1: HARDWARE, OS, DBMS and communication platforms Lot no 2: GPS survey system and navigation gps receivers Lot no 3: Base GIS software platform
Deadline:	15:00 hrs local time on 25 September 2006
Contact:	Central Finance and Contracts Unit (CFCU) Ministry of Finance 102, G. S. Rakovski St., 1040 Sofia fax +359 2 9859 2773 e-mail: cfcu@minfin.bg

Company / organization:	EBRD, related Serbia
Belgrade District Heating - Pumps and Electro Motors	
Content:	The Municipality of the City of Belgrade intends using part of the proceeds of a loan from the European Bank of Reconstruction and Development (the Bank) on a Programme for the rehabilitation of the Belgrade District Heating (DH) system. The proposed Programme, which has been allocated a total of EUR 20 million, will be implemented by JKP BEOGRADSKJE ELEKTRANE, a wholly owned company of the City of Belgrade, hereinafter referred to as "the Purchaser". The Purchaser now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the loan. Contract for the Supply of Pump aggregates and Electro motors for TO Dunav, TO Konjarnik TO Vozdovac and TO Novi Beograd The contract will comprise the following: LOT I Supply of 16 Pump aggregates with associated services LOT II Supply of 7 Electro motors for distribution pumps with associated services Tenders are invited for two 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.
Deadline:	14 Aug 2006 at 12:00, Belgrade time
Contact:	Ms. Gordana Stanković Tel: +381 11 20 93 443 Fax: +381 11 20 93 601 e-mail: tender@beoelektrane.co.yu

Company / organization:	EAR, related Kosovo
Assignment of Engineer for Major Overhaul of Overburden System for Sibovc South West Mine	
Content:	The aim of this project is to assume the function of Engineer as set out in FIDIC, "Conditions of contract for Plant and Design-Build", during the implementation of the project for the major overhaul of one overburden system (including bucket wheel excavator, conveyer line and the spreader) for Sibovc South West Mine. The scope of the services comprises three phases: coordination and supervision prior to construction, coordination and supervision of construction, commissioning services and testing activities at site and coordination and supervision during one year defect liability period. The direct beneficiary of this contract is: Kosovo Electrical Corporation, Joint Stock Company (Korporata Energjetike e Kosovës -KEK) The indirect beneficiary of this contract is: Ministry of Energy and Mining Maximum budget € 650,000.00
Deadline:	17.00 hours C.E.T. on 24 July 2006
Contact:	The European Agency for Reconstruction Procurement Unit Attn: Head of Procurement Unit 1 Kosova street, Pristina, Kosovo - UNMIK Tel: +381 38 51 31 200

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

Company / organization:	EAR, related Kosovo
Further training to improve Technical and Management skills in KEK Kosovo	
Content:	This project will provide further assistance to deliver an effective training programme for KEK, the power utility of Kosovo. The training programme is based on KEK Training Plan and aims at strengthening the capacity of the trainers in KEK Training Centre and upgrading the technical skills of KEK workforce. The training programme will include training for KEK Training Centre staff on electrical, mechanical and welding technologies, training for KEK employees of network, power generation and coal mines divisions at site and to EU power utilities. The direct beneficiary of this contract is: Kosovo Electrical Corporation, Joint Stock Company (Korporata Energjetike e Kosovës -KEK) The indirect beneficiary of this contract is: Ministry of Energy of Mining Energy Regulatory Office Kosovo Trust Agency Maximum budget 500,000 EUR
Deadline:	17 July 2006 at 17hrs00 CET,

Contact:	The European Agency for Reconstruction Procurement Unit Attn: Head of Procurement Unit 1 Kosova street, Pristina, Kosovo - UNMIK Fax: +381 38 51 31 308
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Company / organization:	EBRD, related Romania
Railway Power Network Modernisation	
Content:	S.C. ELECTRIFICARE C.F.R. - S.A. intends using the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the costs for acquisition of vehicles for catenary maintenance and the modernisation works for electric supply for railway traction in four Electrification Units. The main objective of the assignment shall be: (i) acquisition of vehicles for catenary maintenance: • observance of the contract provisions (ii) modernization works for electric supply for railway traction • accurate Technical Design for modernization traction power supply to the Electrification Units - CE Timisoara, CE Caransebes, CE Craiova and CE Targu JIU; • efficient and transparent selection of contractors, through adequate tender documents for the procurement of the works contracts for the modernization traction power supply and completion of the entire procurement process for selection of the constructors, in line with EBRD requirements; • observance of the contract provisions through the supervision, under FIDIC procedures, of the modernization works for traction power supply. The composition of team required: - Project Manager - Resident Engineer - OHLE - Project Programming & Financial Control expert - Environmental specialist - Contract coordinator - Engineer Operation/Logistic expert - Long-term Experts - Inspectors - Other Short-term Experts
Deadline:	21 July 2006 at 17:00, Bucharest time
Contact:	Mr. Ionel TRUICA, Tehnic Manager Fax: +40 21 311 98 38 Tel.: +40 0722 693 020 e-mail ionel.truica@cfr.ro

Company / organization:	EAR, related Romania
Development of Financial Incentives Mechanism for Energy Efficiency	
Content:	<p>The project aims is to support the Ministry of Economy and Trade in assessing the current situation on Energy Efficiency in Romania and the progress towards implementation of the National Strategy for EE, identifying options for the establishment of energy efficiency funding and support mechanisms compatible with EU rules, assessing the feasibility of these options and proposing the most appropriate, and preparing documentation for the legal and institutional framework for the implementation of the selected options.</p> <p>Also, the project will perform activities for developing a guide, documentation and database/software for the selection and provision of support to energy efficiency projects, for developing the content of promotion material for the mechanism's activities and for designing a mechanism for monitoring and evaluation of results</p> <p>The project will cover all sectors of the economy addressed by the National Strategy for EE i.e. the housing sector, the tertiary sector, the industrial sector, transport and district heating. It will cover EE interventions and technologies that present significant application and energy saving potential in Romania. Maximum budget 500 000 EUR</p>
Deadline:	14 August 2006, 16:00 hrs local time
Contact:	Daniela Tala, Project Officer Tel: 0040 21 326 55 55 Fax: 0040 21 326 87 30, 0040 21 326 87 09

Company / organization:	H.T.S.O., related Greece
Supply of specialised software and hardware	
Content:	<p>The Hellenic Transmission System Operator S.A., (H.T.S.O.) is publishing the summary of the Tendering Procedure No 12/2006 for the conclusion of Capacity Availability Contracts for a new Generation Unit. The summary has been sent to the Official Journal of the European Union for publication.</p> <p>The complete text containing the specifications and additional documents of the H.T.S.O. Tendering Procedure No 12/2006 can be obtained during working days from 16/5/2006 up to 10/7/2006 from 10:00 to 13:00.</p> <p>Tendering Procedure Documents cost is 300 € and the potential participants must demonstrate an identification document. They must also notify H.T.S.O. their communication details e.g. address, telephone and FAX number.</p>
Contact:	Potential participants can obtain the complete tender documents from the offices of H.T.S.O. AMFITHEAS AVENUE 11, N. SMYRNI 17122

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Oil and Gas

Company / organization:	INA, related Croatia
Spare Parts for Pump BRAN+LUEBBE according to technical specification no. 235/06-SP	
Deadline:	July 25, 2005, until 11.00 hrs.
Contact:	Mr.M. Kuzmanić , tel: +385-1- 64 51 089, fax +385-1-64 52 048) every working day from 10 to 12 a.m., local time.

Company / organization:	EAR, related Romania
Technical and Economic Study of a SCADA System for the Gas Network	
Content:	<p>Transgaz is managing the National Gas Transmission System and acts as the technical operator to the gas transmission system. In this capacity, it is essential for Transgaz to develop the capability to have a thorough system for data acquisition and supervisory control (SCADA).</p> <p>The current project will have to identify the requirements that should be served by the SCADA system, review available technologies and architectures and assess their feasibility under the specific conditions and sizing of the Romanian gas transmission network and conclude with the technical design and technical specifications which would enable Transgaz to procure and install the SCADA system.</p> <p>The project work should also include the assessment of the requirements stemming from the need of interfacing the SCADA system to the Information System to be developed for the Gas Market Operator and with the existing Information System of Transgaz. Maximum budget 500 000 EUR</p>
Deadline:	24th of July 2006 , 16:00 hrs local time
Contact:	Daniela Tala, Project Officer Tel: 0040 21 326 55 55 Fax: 0040 21 326 87 30, 0040 21 326 87 09

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Coal

Company / organization:	EPS, related Serbia
Development of study	
Content:	<p>THE PUBLIC INVITATION to tender in the open procedure for the service - development of the Study 'Preliminary Program with the Feasibility Study for the Introduction of the System for Operational Management and Coal Quality Control on Tamnava Open Pit Mines' Procurement subject: Development of the Study 'Preliminary Program with the Feasibility Study for the Introduction of the System for Operational Management and Coal Quality Control on Tamnava Open Pit Mines' – Public procurement 05/06/DSI.</p>
Contact:	Ms. Radmila Zivojinovic, D. Sc., phone number +381 11 3971 960, e-mail: radmilaz@eps.co.yu.

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