

# December (1) 2006 issue of Balkan Energy NEWS, with limited data Request free trial / latest issue on [news@balkanenergy.com](mailto:news@balkanenergy.com)

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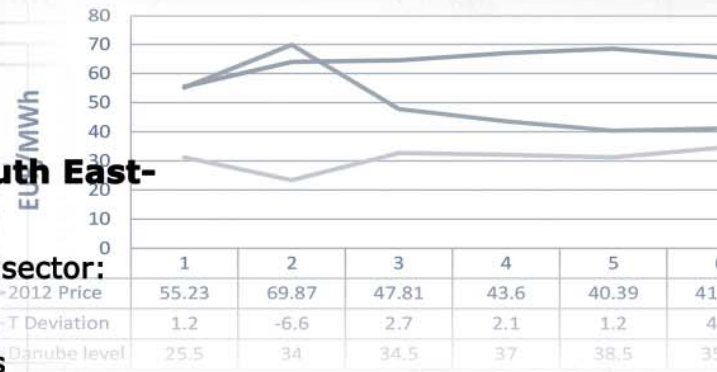
The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

06	1022	Slovenia	2007	12297	1083	991	978	928
48	1134		2010	12287	1083	991	1054	941
81	1077		2011	12590	955	1051	1127	997

OPCOM

Annual electricity consumption in GWh

Year	Sum	1	2	3	4
2007	11182	1027	891	953	850
2008	11570	1094	998	1012	911
2009	10994	1099	932	963	816
2010	11722	1074	979	1016	910
2011	12186	1155	1038	1075	938
2007	34506	3107	2960	2637	2637
2008	32732	3107	3198	2638	2638
2009	31954	3486	3052	3021	2443
2010	33452	3475	3107	3037	2677
2011	35174	3555	3481	3555	3555
2007	4915	4915	4539	4289	4105
2008	53504	4652	4271	4401	3894
2009	53565	4666	4107	4327	3913
2010	55758	5178	4423	4223	3865
2011	57576	5330	522	777	684
2007	4735	4735	4418	4660	4081
2008	5170	5170	4801	4795	4396
2009	50636	4736	4268	4473	3803
2010	53265	4874	4472	4727	4111



## Country Reports on Energy Business in South Eastern Europe

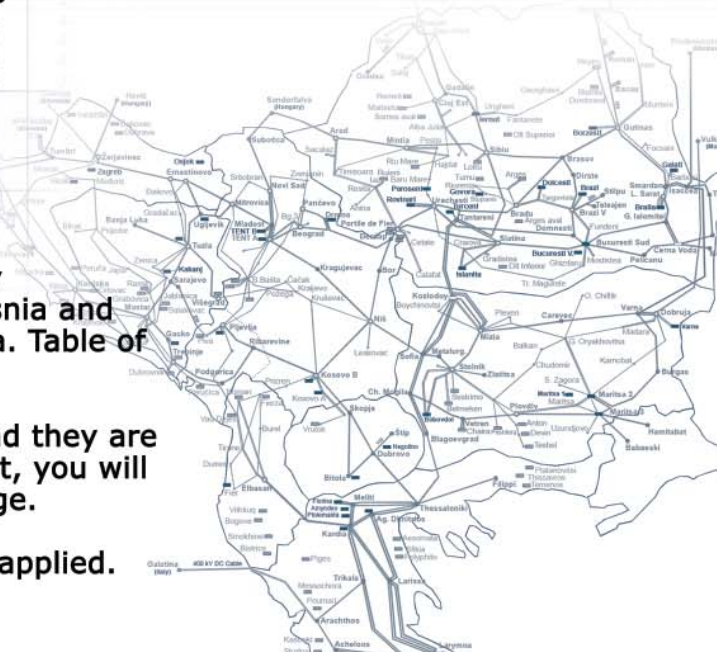
Country reports provide detailed overview of energy sector:

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

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

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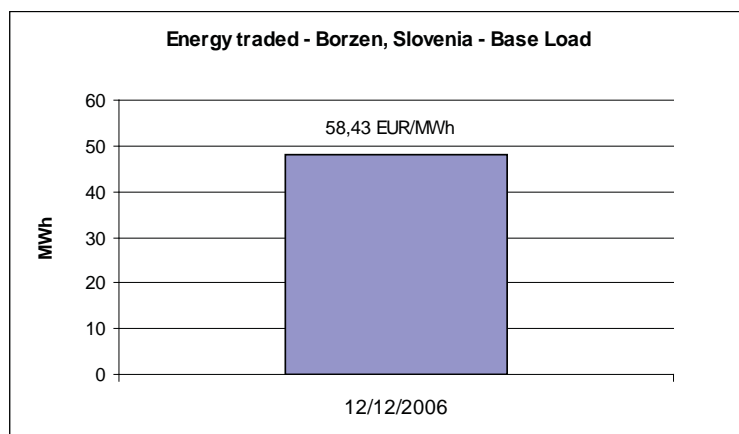
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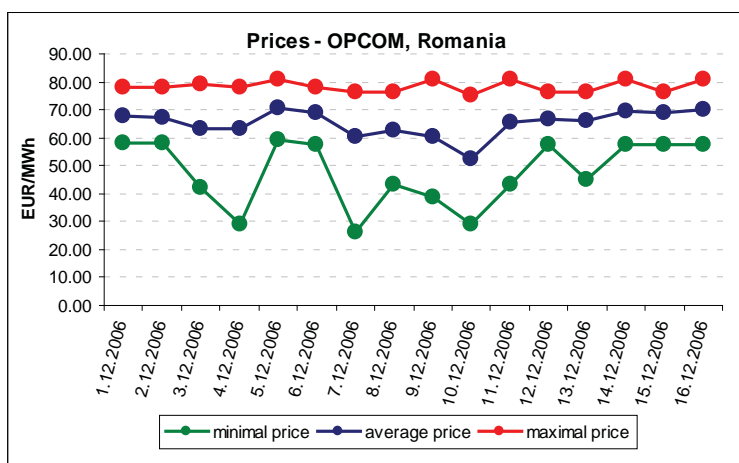
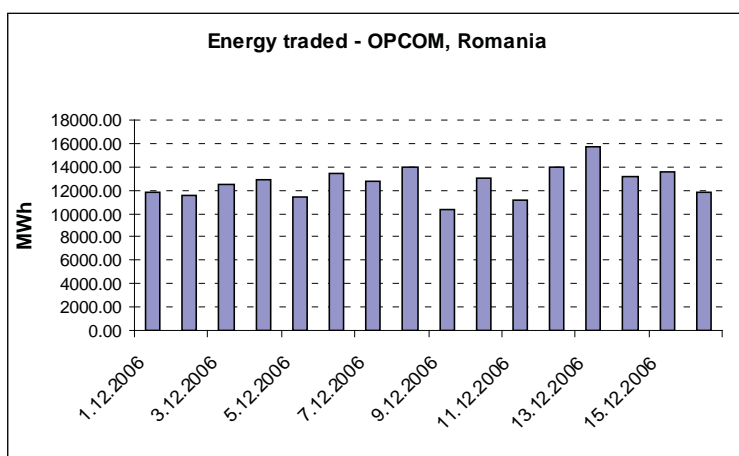
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**Power exchanges data:**

In the period from 1.12.2006 till 16.12.2006 no other trades were performed on Borzen

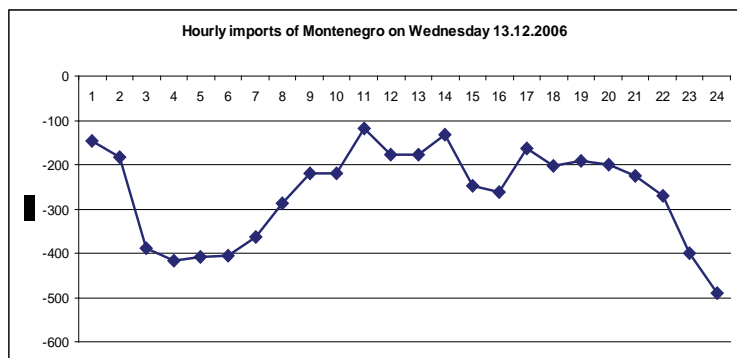
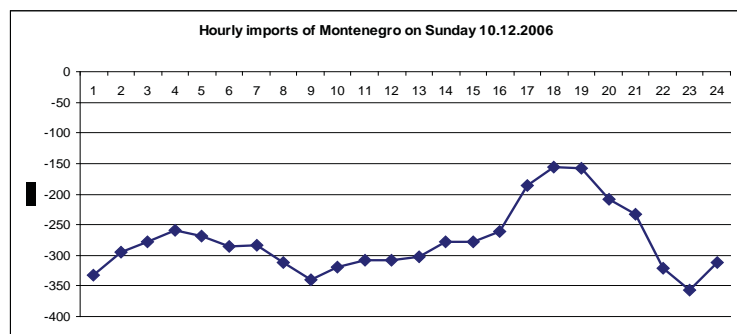
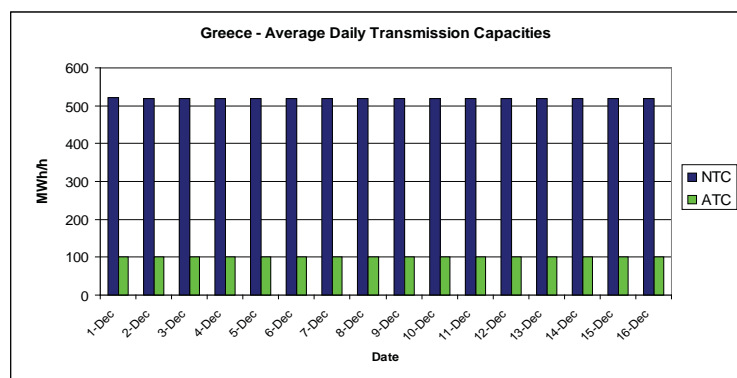
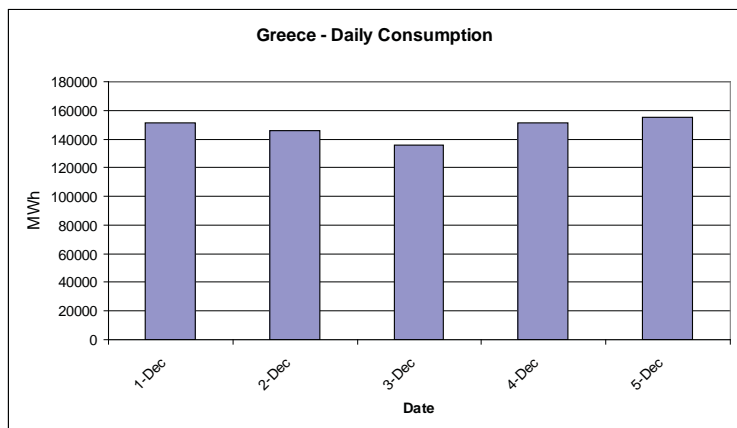
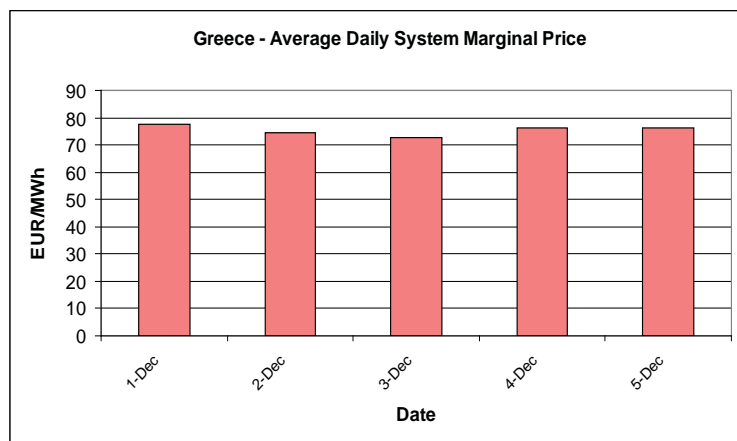


Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	497.613	57.76
2	556.944	43.32
3	573.464	28.88
4	605.748	28.88
5	618.177	28.88
6	588.244	28.88
7	535.805	46.21
8	589.275	49.10
9	600.758	54.87
10	590.208	57.76
11	552.040	49.10
12	559.237	57.76
13	546.776	54.87
14	557.794	54.87
15	577.430	57.76
16	554.046	57.76
17	466.627	64.98
18	350.513	73.07
19	314.395	75.09
20	321.057	73.07
21	346.496	72.20
22	360.263	67.87
23	504.677	60.65
24	531.677	57.76
<b>Total</b>	<b>12,299.264</b>	

Opcom, Romania: Energy Traded on Sunday, December 10, 2006

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	968.124	57.76
2	1028.749	57.76
3	999.627	57.76
4	958.300	44.77
5	983.685	57.76
6	930.053	57.76
7	801.113	57.76
8	656.200	72.20
9	551.296	72.49
10	516.476	72.49
11	546.994	72.49
12	551.352	72.49
13	552.300	72.49
14	559.111	72.49
15	556.391	72.49
16	569.509	72.49
17	504.867	72.49
18	401.596	76.53
19	377.057	76.53
20	392.176	76.53
21	457.120	75.09
22	547.907	72.49
23	602.249	72.20
24	747.006	72.20
<b>Total</b>	<b>15,759.250</b>	

Opcom, Romania: Energy Traded on Wednesday, December 13, 2006



\*Physical imports are shown, i.e. with included generation of HPP Piva in exchange total of Montenegro

In the period from 1.12.2006 till 15.12.2006:  
 Montenegro maximum daily consumption: 14.4 GWh  
 Montenegro maximal hourly consumption: 675 MWh

**Weather conditions**

	16.12.	17.12.	18.12.	19.12.	20.12.
Albania Tirana	T: 4-20 W: - R: -	T: 8-12 W: - R: 12	T: 4-13 W: E 3-5.4 R: 28	T: 1-10 W: S 1-1.5 R: 6	T: 0-11 W: N 1-1.5 R: -
Bosnia and Herzegovina Sarajevo	T: -3-15 W: SW 1-1.5 R: -	T: -2-9 W: SW 1-1.5 R: -	T: -2-0 W: N 1-1.5 R: -	T: -5- -3 W: W 1-1.5 R: -	T: -8- -4 W: W 1-1.5 R: -
Bulgaria Sofia	T: -3-13 W: SE 1-1.5 R: -	T: -4-10 W: S 1-1.5 R: -	T: 1-5 W: E 1-1.5 R: 13	T: 1-1 W: E 1-1.5 R: -	T: -4- -3 W: NW 1-3.3 R: -
Croatia Zagreb	T: -2-12 W: SW 1-3.3 R: -	T: 4-7 W: NE 1-1.5 R: -	T: -3-1 W: NE 3-5.4 R: -	T: -5-0 W: NE 3-5.4 R: -	T: -7-2 W: NE 1-3.3 R: -
Greece Athens	T: 13-16 W: NE 1-1.5 R: -	T: 10-16 W: S 1.5-3.3 R: -	T: 7-15 W: S 3.3-5.4 R: -	T: 10-18 W: S 3.3-5.4 R: -	T: 8-12 W: W 1-3.3 R: -
Macedonia Skopje	T: -3-11 W: - R: -	T: 2-8 W: NE 1-1.5 R: -	T: -2-5 W: SE 1-1.5 R: 8	T: -4-1 W: E 1.5-3.3 R: -	T: -8-0 W: N 1.5-3.3 R: -
Montenegro Podgorica	T: 7-18 W: - R: -	T: 2-15 W: E 1-1.5 R: -	T: 7-11 W: SE 1-3.3 R: -	T: 4-8 W: SE 1-1.5 R: -	T: 1-7 W: N 3.3-5.4 R: -
Romania Bucharest	T: 7-11 W: SW 3-5.4 R: -	T: 2-12 W: SW 3-5.4 R: -	T: 3-4 W: NE 3-5.4 R: -	T: 2-2 W: NE 3-5.4 R: -	T: -2-0 W: W 1-3.3 R: -
Serbia Belgrade	T: 1-15 W: E 1-1.5 R: -	T: 3-7 W: NW 1-1.5 R: -	T: 0-3 W: NE 3-5.4 R: -	T: -2- -2 W: W 1.5-3.3 R: -	T: -3- -2 W: NW 1-3.3 R: -

**Average weather conditions for December**

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Albania Tirana	-	-	-	-
Bosnia and Herzegovina Sarajevo	-2.8	3.5	85.0	11.0
Bulgaria Sofia	-2.7	4.1	40.0	11.0
Croatia Zagreb	-1.9	4.4	63.8	12.1
Greece Athens	6.8	14.1	69.1	12.1
Macedonia Skopje	-2.2	5.3	51.0	11.0
Montenegro Podgorica	2.9	11.1	217.0	13.0
Romania Bucharest	-2.6	3.8	43.0	6.0
Serbia Belgrade	-0.2	5.3	58.0	14.0

T: Ts in Celsius degrees.

W: Ws in m/s, S – South, W – West, N – North, E – East and variables.

R: Rain in mm

## Danube water-level

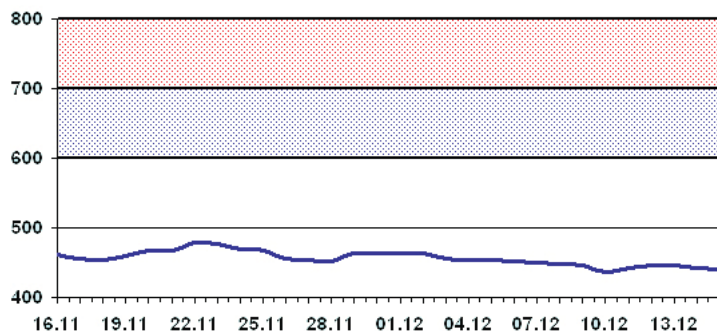
relevant for:

HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia



### Analysis:

## Overview - Bulgaria

Due to shutting down of two 440 MW units in NPP Kozloduy Bulgaria will lower its annual exports in 2007 on nearly zero value. Two 440 MW units should be shut down on December 31st 2006. These two units had annual production of around 6000 GWh. After closure of first two 440 MW units four years ago, Bulgaria still remained major exporter of electricity in Southeast Europe (SEE) with and there were no significant influences on its exports. But now, whole SEE region will be affected by this closure. Bulgaria had annual exports of between 6000 GWh and 7500 GWh and for 2007 there should be no more the 1000 – 2000 GWh of exports, so panic in the region is arisen since Bulgaria has been providing electricity for more than 60% of all deficits in SEE.

In last months Bulgarian exports are reduced due to lack of coal for TPP Varna and TPP Rousse, which operate on coal imported from Ukraine and Russia, since Ukraine decided to stop exports and to block Russian export of coal to Romania via Ukraine. Additionally TPP Bobov Dol has insufficient number of rail wagons for coal supply. Also, generation of TPP Maritsa 3 is reduced due to modernization.

Bulgaria and other countries in the region are against closure of two units in NPP Kozloduy, but European commission claims that there should be no energy deficits in the region due to closure. The biggest problems are expected in Albania since energy crisis there is huge even now with culmination during last year. Greek imports will be also significantly affected since Greece had majority of imports from Bulgaria. On recently organized first tenders for electricity purchases for year 2007 and for the end of 2006 in FYR Macedonia, Serbia, Albania and Montenegro there were no enough amounts of energy offered for satisfying requested amounts by these countries. Power utility of Albania will have load shedding during this winter, while power utility of Montenegro announced possible load shadings during winter. Presently temperatures are higher than usually what induces significantly lower consumption, but if winter is going to be cold and without significant rainfalls FYR Macedonia and Serbia will be in very critical energy situation. Since Albania did not ensure enough of electricity imports for first quarter of 2007, power utility announced that they are willing to pay 78 €/MWh. Power Utility from FYR Macedonia announced that total costs of imports for 2007 could be higher for a 50 million € than for 2006. Some experts expect price increase on the market for 20%.

New investments that will replacements two units in NPP Kozloduy are underway but region will have to wait at least till 2009 -2010 to get higher exports from Bulgaria. In the meantime Romania will be dominant exporter of electricity since new 700 MW unit in NPP Cernavoda is scheduled to start operation during summer 2007. First three months of 2007 will be the most critical, until in spring snow start to melt and Balkan countries get high hydro generation. New ongoing generation projects in Bulgaria are following:

- New NPP Belene in Bulgaria is planned to have capacity of 2 X 1000 MW and to be constructed in a period between 2013-2016 approximately.

- Construction of hydro power project Tsankov Kamak was officially launched in April 2004. Contract on this project was signed between all-Austrian consortium of VA Tech Hydro, Verbundplan and Alpine Mayreder Bau on the one side and NEK on the other. Tsankov Kamak HPP will be located in the Rhodopean mountains in southern Bulgaria (at the border with Greece) in the middle section of the river Vacha cascade. Installed capacity of the new plant will be 80 MW (2\*40 MW) and it is expected to add an extra 185 GWh per year to the cascade's current annual output of cascade of 542 GWh.

- Construction of the new replacement capacity of 670 MW (2\*335 MW) lignite fired "brownfield" thermal power plant located adjacent to the existing Maritsa Iztok 1 facility. US consortium AES-3C is the investor of the project. Works should be completed in 2009-2010.

- In Maritsa Iztok 2 TPP, Japan's Mitsui will rehabilitate and repower units 1-4 (150MW each), as well as install desulphurization facilities, under a contract signed in April 2003. Work is set to be completed in 2007. Project is expected to prolong units' service life by 20 years and increase their capacity by 156MW.

- In Maritsa East 3 there is an ongoing project of modernization that will raise output capacity of the plant from 840 MW to 904 MW, extending its operating life for more than 15 years, and reducing of the plant's harmful sulfur emissions by 94%.

Bulgaria is having problems with new owners of privatized distribution companies that are constantly requesting electricity prices increase. Even Minister for energy had to make warnings to EVN due to high electricity bills. In September 7500 electricity bills were withdrawn in Stara Zagora distribution company due to not calculated low tariff. Anyhow, there were protests organized against EVN who is blamed for electricity price increases. There are also complaints on other two owners E.ON and CEZ, especially because during summer this year city of Varna had several interruptions in power supply for several hours during tourist season.

The power distributors were not satisfied by the fact that National transmission system operator (NEK), without prior notice, decided to increase wholesale electricity prices for power distributors by 6.8 %. Power distribution companies also disputed 5 % inflation rate included in electricity tariff adjustment, claiming that inflation rate should be 8 %. New tariff system introduces single day tariff of 7.5 eurocents per kWh. The night tariff of 4.8 eurocents will remain the same.

Power sector is in privatization for several years. CEZ has bought 67 % of shares in three Bulgarian distribution companies: Sofia City, Sofia District, and the town of Pleven region. E. ON owns 67 % in power distribution companies in located in Bulgarian cities Varna and Gorna Oryahovitsa. Energy Trading AD (EVN), co-owned by the Austrian EVN has bought 67% of shares in power distribution companies in Plovdiv and Stara Zagora. TPP Varna has been recently bought by CEZ, TPP Maritsa East 3 by ENEL, and TPP Rousse should be bought by CEZ also. Austrian company EVN won in the tender for privatization of Sofia heating company "Toplofikacija" and the Plovdiv heat-

ing company. Holding of Slovenian power plants (HSE) has offered the highest price in the tender for privatization of 100 % of shares in combined heat power plant (CHP) Rousse. French company Dal-  
kia International has offered highest price of 6.7 million euros in the tender for sale of 100 % of shares in Varna heating company.

## News:

### **EVN interested for investments in Serbia and Albania (Region)**

Head of Supervision board of Power utility of Macedonia-Distribution (ESM) and member of management board of EVN, confirmed that EVN was interested in investing in power plants in Serbia, Albania and Kosovo rather than in Macedonia after government of Macedonia has cancelled the tender for TPP Negotino. He pointed out that EVN could be interested for construction of hydropower plants in Serbia and for construction of new large thermal power plant in Kosovo.

EVN was not satisfied with the fact that new government has cancelled the tender, where EVN was the first ranked bidder. Nevertheless, company has accepted the government's decision, high official of ESM said.

On December of 19th, Supervision board of ESM should decide when it would invest 80 million euros given by EVN in accordance to privatization contract. Since takeover in April this year, Austrian company has invested 22.4 million euros. In the next two years, EVN should invest funds for modernization of distribution network, automation of distribution system and establishment of new management.

ESM's official confirmed that company was loss-making, saying that it would take a lot of time for ESM to reach EU standards, and until than all profit made by ESM would be invested in company. ESM should request increase in electricity prices, he said. High official did not want to reveal whether the company would reduce the number of employees in the nearest future. He was also satisfied with the collection rate of power bills in Macedonia.

Commenting the latest announcement of prime minister of Macedonia, regarding possible inquiry of tender for privatization of ESM, head of the supervision board said that tender had been carried out in accordance to international standards. He also welcomed the idea of head of Macedonian power plant (ELEM) on establishment of holdings of state owned power companies, the ELEM, MEPSO and TPP Negotino, but government would hardly provide funds for carrying out of such project, he believes.

§ § §

### **41 million euros for energy project (Albania)**

Government of Albania announced plans for two energy projects, with overall worth of 41 million euros. The projects are related to reduction of electricity losses and increase in power production, while World Bank will finance both projects.

The purpose of the first, 22.5 million euros worth project is to reduce electricity losses in Albania, which reached 75.1 million euros per year. Government has already invested some 6 million euros in the project.

The rest of 18.5 million euros will be invested for increase of electricity production in thermal power plants and renewal of power network. The initial project was started in 2004th.

§ § §

### **KESH announced 30 million euros project (Albania)**

Albanian Power Corporation (KESH) announced that two international banks and two foreign governments are interested to finance 30 million euros worth project in Southern Albania.

According to KESH, the project called Riviera could be financed by European investment bank (EIB), German KfW bank, South Korea and Spain. The project is related to construction of 110 kV power line between Babice and Sarande and a substation for the distribution networks in Orikum and Himare.

KESH believes that implementation of the project would help development of tourism in the area.

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### **KESH signed contract for import of 2.32 GWh per day (Albania)**

Albanian Power Corporation (KESH) confirmed it has signed the contract for import of 2.32 GWh of electricity per day in the next three months. The electricity will be delivered by Istrabenz, PPC and EFT.

Albania has again experienced power cuts due to low domestic production in hydropower plants due to drought. Power cuts lasts from 4 to 14 hours, although KESH did not officially admitted it imposed power cuts.

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### **CEZ and ERS signed 1.5 billion worth investment contract (Bosnia and Herzegovina)**

In the beginning of December, prime minister of Republic of Srpska (RS) and chairman of the board of directors of Czech CEZ have signed the declaration on future investments in thermal power plant (TPP) Gacko.

According to prime minister, this should be the largest investment in RS so far; where in the next four years 1.5 billion euros would be invested. The project includes renewal of TPP Gacko, investments in new coalmine and construction of new TPP Gacko 2. Existing TPP Gacko has power output of 300 MW, while new TPP Gacko 2 should have power output of 660 MW.

The head of Power utility of RS (ERS) and representatives of CEZ have also signed the agreement on establishment of joint venture, the New Power Plants of RS, which would be responsible for carrying out the project. New company will be licensed for power production and trade, where CEZ would own 51 % of stake and government of RS would own the rest of 49 % of stake in the company.

Head of CEZ pointed out that this would be the largest investment of any Czech company abroad. CEZ, with overall power output of 14,000 MW, owns three power distributors and TPP Varna in Bulgaria, one power distributor in Romania and, since recently, two power plants in Poland, the Elcho and Skawina.

§ § §

### **10 % increase in power production in the first nine months for ERSh (Bosnia and Herzegovina)**

In the first nine months of 2006th, Power utility of Republic of Srpska (ERS) has increased power production by 10 % comparing to last year. In the same time, collection rate stood at almost 100 %. The only reasons for concern were the losses in distribution network, which reached 19.29 %, company's officials said.

In the aforementioned period, price of electricity in RS decreased by 3 % (comparing to 20 % increase in the rest of Bosnia and Herzegovina), where average price was 23 eurocents per kWh, which is the lowest price in the region. In the same time, ERS managed to sell electricity in the region at average price of 3.6 eurocents/kWh.

ERS has announced large-scale projects for construction of new power plants, such as hydropower plant (HPP) Dubrovnik 2 (in cooperation with Croatia), thermal power plant (TPP) Gacko (signed contract with CEZ), TPP Ugljevik, coalmine and TPP Stanari, HPP Foca, HPP Bileca and HPP Buk Bijela.

ERS officials announced that company could achieve up to 10 million euros of profit in this years.

ERS has reported that profit in 2005th stood at 2.55 million euros, comparing to 1.69 million euros in 2004th. The good business results started after the restructuring of the company into the holdings structure in 2003rd when profit reached 1.38 million euros. For example, in 2000th, ERS has reported loss of 96.12 million euros.

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### **138 million euros of debts of EP HZHB in 2005th (Bosnia and Herzegovina)**

The State revision office of Bosnia and Herzegovina (BiH) confirmed that overall debts and credits of public company Power utility of Herzeg Bosnia (EP HZHB) stood at 138 million euros in the end of 2005th.

The current obligations of the company are 16.36 million euros. EP HZHB, 90 % owned by the state, reported 2.5 million euros of profit in 2005th, along with 100 million euros of cumulative unpaid claims. It is estimated that some of 62 million euros of unpaid claims could be considered as non-payable in practice.

In 2005th, unpaid claims for delivered electrical energy stood at 8 million euros, while in the same year, company has erased 7.5 million euros of barred debts. In the same year, expenses reached 8.6 million euros, instead of planned amount of 3.5 million euros. Nevertheless, employees in EP HZHB have one of the highest average salaries in entire BiH.

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### **Tunnel Fatnik filed put in operation (Bosnia and Herzegovina)**

Prime minister and president of Republic of Srpska (RS) have officially put in service 15.65 km long water tunnel Fatnik field. The tun-

nel will transport water from Fatnik and Dabar field into the storage like Bileca.

It is estimated that some 140 GWh of additional electricity would be produced in hydropower plant (HPP) Trebinje from the water transported through the tunnel. RS's officials believed that it would gain annual profit of 5 million euros. RS also plans to build new HPP near the tunnel, the construction of which could start next year.

The Fatnik field tunnel is the first phase of the project called Gornji horizonti. Prior the war, some 45 million euros was invested and another 25 million euros was invested since 2002nd, when the project was revived. The project includes construction of another water tunnel and construction of three HPPs, the HPPs Bileca, Dabar and Nevesinje.

One of the main investors in the project is the EFT. Due to potential environmental problems, EFT announced ecological studies that would analyze impact of the project to the water systems in Herzegovina.

Prime minister of RS pointed out that, by construction of new power plants in the next ten years, RS plans to double electricity production in the country.

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### **Zarubezneft finally to take over oil refineries (Bosnia and Herzegovina)**

Prime minister of Republic of Srpska (RS) announced that final contract for sale of Oil refinery in Brod, Motor oil refinery in Modrica and fuel distributor Petrol to Russian oil company Zarubezneft would be signed in December.

The sale contract has to be approved by parliament of RS. The contract would be based on cooperation protocol signed between RS and Russian company in Moscow in mid September this year.

According to protocol, Zarubezneft should invest overall amount of 979 million euros in three companies in period of four years after takeover.

During the first phase of modernization, oil refinery in Brod should increase processing output at 1.4 million tons of oil per year, and at 4 million tons per year in the final phase.

It is important to say that House of nations of Bosnia and Herzegovina demanded from Constitutional court to evaluate the validity of privatization of oil companies in RS.

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### **Demands for additional funds for closure of units in NPP Kozloduy (Bulgaria)**

Bulgaria's energy and economy minister confirmed that Bulgaria has undertaken necessary measures regarding the requests to EU for additional funding of decommissioning of two units in nuclear power plant (NPP) Kozloduy.

Minister quoted the examples of some other member countries, which have benefited after closure of their nuclear units before the joining the union. This was said during the parliament assembly in the beginning of December. As a reminder, EU parliament has once

again rejected the proposal on reconsidering the prolongation of shutdown of two nuclear units, after Bulgaria warned on possible electricity shortages in the region.

Bulgarian MPs also discussed plans for construction of NPP Belene. Minister confirmed that project would be entirely funded by foreign loans and investments, which should be repaid by future electricity sales. He explicitly said that no state budget funds would be allocated for the project.

National transmission system operator (NEK) will own 51 % of stake in new NPP, where NEK and NPP Belene should sign long-term agreement for purchase of electricity. The long-term agreement was seen as necessary in order to achieve competitive electricity prices in NPP Belene.

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### **Bulgargaz demanded 4 % increase in natural gas prices (Bulgaria)**

State owned natural gas company, the Bulgargaz, requested 4 % increase in natural gas prices starting from January 1st. If regulator approves the request, the price of natural gas in Bulgaria will reach 165 euros per 1,000 cubic meters (no taxes included). The request should be analyzed by the end of the year.

Management of the company explained the request with the fact that regulatory body did not approve the price of natural gas of 166 euros in the last quarter of 2006th. Instead of that, regulator set the price at 158.5 euros in that period.

In the same time, Bulgargaz said that the request was not related to the negotiations with main supplier, the Russian Gazprom. Bulgaria is still paying the discount price of 63 euros per 1,000 cubic meters of gas to Gazprom, for providing transit services. Annual natural gas consumption in Bulgaria is about 3 billion cubic meters, where some 50 % of the amount was provided through agreement with Gazprom.

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### **Government and Russia negotiate on new natural gas contract (Bulgaria)**

On December 6th, Bulgaria's economy and energy minister has presented a memorandum regarding the changes in long-term natural gas supply agreement between Bulgaria and Russia to the government. Russia, i.e. the Gazprom is the sole natural gas supplier of Bulgaria. Minister did not want to reveal any details in the proposed new agreement.

The negotiations lasted for almost a year, and if two parties agree on changes, new contract will be valid until 2030th. The current long-term agreement expires in 2010th.

As a reminder, in the end of 2005th, Gazprom demanded changes in long-term agreement regarding payment of transit services in Bulgaria in cash instead through barter agreement. If the initial Gazprom's requests were accepted, natural gas price in Bulgaria would increase by 40 %, estimations showed.

Minister pointed out that current agreement was very favorable for Bulgaria, yet, after the strong ultimatums from Russia, the state should now have in mind the long-term energy stability of the country.

In the same time, head of Gazprom, and Bulgaria's ambassador in Moscow have also discussed the new terms for payment of transit services for Gazprom in Bulgaria. Gazprom also announced readiness to participate in development of energy sector in Bulgaria.

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### **Extension of tender for sale of TPP Bobov Dol (Bulgaria)**

Bulgaria's Privatization agency (PA) has decided to prolong the privatization procedure for thermal power plant (TPP) Bobov Dol (630 MW) by the mid February. PA wants to continue negotiations with first ranked bidder in tender procedure, the Greece's Public power corporation (PPC). PPC was selected as the winner in the tender, after cancellation of the tender and appeal to Supreme Court, in July this year.

PA said that, in aforementioned period, responsible state institutions would make evaluation of privatization contract. The main problems that need to be solved will be the ecological permit for TPP, coal supply agreement with local coalmines and reserve capacity agreement that should be signed with National transmission operator (NEK).

PPC believes that current environmental regulation would not allow the company to use coal from local coalmines. In the same time, local coalmines, due to possible layoffs if TPP Bobov Dol was not obliged to use their coal, announced protests against the sale the TPP. PA proposed that PPC should be obliged to buy coal from local coalmines for at least five years.

As a reminder, PPC offered 36.17 million euros for 51 % of shares in TPP and 34.8 million euros for capital stake increase as well as another 34.75 million euros for the remaining stake, so that overall PPC's investment in TPP Bobov Dol would reach 105.2 million euros.

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### **HSE to buy CHP Rouse (Bulgaria)**

The Holdings of Slovenian power plants (HSE) was selected as the winner in the tender for sale of 100 % of shares in combined heat and power plant (CHP) Rouse.

HSE offered highest bid of 85.1 million euros, and thus outbid French company Dalkia (51.05 million euros bid) and German E.ON (29.1 million euros).

The final sale contract should be signed in period of 90 days.

CHP Rouse has 400 MW of power output and 200 MW of heat output. HSE plans to increase utilization of two 110 MW units, for power production, and to provide additional amount of 500 GWh of heat energy for 16,000 of customers in Rouse.

The purchase CHP Rouse is the part of HSE's plans for expansion in Southeastern Europe in areas of electricity trade and production.

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### **NPP Kozloduy to exceed annual production plans (Bulgaria)**

Officials from nuclear power plant (NPP) Kozloduy confirmed that NPP would achieve annual production plan three weeks before the end of the year.



Annual production plan was set at 18.158 TWh. It is estimated that NPP would manage to produce 19.5 TWh of electricity in this year. NPP Kozloduy currently supplies 42 % of electricity in the country.

In the related news, NPP Kozloduy has applied for power trading license. It is expected that NPP will be very soon granted the license, where power regulator will also review the requests submitted by Energy Financial Group, Vivid Power and Arcadia Service.

NPP plans to buy electricity from thermal power plant Varna and to sell it in case of emergencies. NPP Kozloduy is the holder of 30-years license for power production and heat transmission.

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### **State president did not exclude construction of new NPP (Croatia)**

President of Croatia said that Croatia must not exclude an option for construction of new nuclear power plant (NPP) in the near future. He said this while answering journalists' questions during the visit to Energy institute Hrvoje Pozar.

This option was also supported by head of Institute, having in mind EU recommendations on diversification of energy sources. The only concern for Croatia would be finding partners for construction of NPP, since Croatia would not be able to build such plant alone. Potential partners could be Slovenia and Hungary, he said.

In the related news, minister of industry of Slovenia denied accusations of environmental organizations regarding the plans for construction of the second unit in NPP Krsko (jointly operated by Croatia and Slovenia). Ecologist said that new plan was rather unprofessional and that new unit would cost two times more than 2 billion euros, as it was estimated by government of Slovenia in the Strategy of development until 2023rd. Ecologist also accused the government of not doing anything for long-term storage of spent nuclear fuel.

Minister said that new unit could be built for even 1.5 billion euros, while 1,600 MW NPP would cost some 2.4 billion euros. The main problem, according to minister, was low public support for such project. The latest polls showed that 60 % of citizens of Slovenia were against such project.

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### **The highest production of INA expected in 2010th (Croatia)**

According to the strategy of development, Croatian oil industry (INA) should reach the highest ever oil and gas production of 5 million tons of oil equivalent in 2010th.

Until that time, INA should finish third phase of Northern Adriatic project, when natural gas production should stand at 2 billion cubic meters per year, executive director of INA said. Out of that amount, 1.7 billion cubic meters would be INA's share, while the rest would belong to Italian partners.

In the same period, INA should produce another 2.3 billion cubic meters of natural gas in continental fields in Croatia and Syria. The production of oil and oil derivatives should reach 1 million tons in the same period.

In the first six months this year, INA produced 10.2 million barrels of oil equivalent, which was 6 % higher comparing to the last year.

INA's daily production in oil and gas fields in Croatia and abroad is about 62,000 barrels, which was 12 % higher comparing to average 55,000 barrels in 2005th.

This was the consequence of putting in operation new gas filed in Adriatic (Ika and Ida fields) and of increased production in Egypt and Syria. In the same time, oil and gas production in Croatia was reduced 2 % in oil fields and 3 % in gas fields in the first half of 2006th.

After putting in operation of two new aforementioned gas fields earlier this year, daily natural gas production was increased by 750,000 cubic meters. Because of that, it is expected that natural gas production in 2006th would be 10 % higher comparing to the last year.

The oil production of INA covers some 20 % of Croatian oil needs, while natural gas production is sufficient to cover some 60 % of demand in Croatia.

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### **Estimated 60 million euros of profit for HEP (Croatia)**

Chairman of the management board of Croatian power utility (HEP) believes that HEP would report almost 60 million euros of profit by the end of this year.

In the same time, he repeated once again that in the next four years company plans to invest 1.5 billion euros for construction of new power plants with overall power output of 1,200 MW (25% increase in overall power output).

The investment cycle has recently started by construction of new hydropower plant Lesce and preparations for construction of new unit in combined heat and power plant Zagreb. New power plants should cover 3 % increase in power consumption per year in Croatia.

The funds for the projects will be provided by loans and HEP's own funds, for which purpose company has recently issued 68 million euros worth bonds.

Head of HEP also announced that company would list 20 % of its capital on stock exchange in 2007th.

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### **New wind farm on Peljesac peninsula (Croatia)**

Croatian-German company Enersys announced construction of new wind farm on Peljesac peninsula. This would be the second wind farm to be built by Enersys in Croatia.

New wind farm should have 17 wind turbines with overall power output of 34 MW, which will be double comparing to the company's first wind farm in Croatia, the Vrtar-Trtolin.

Estimated annual power production of new wind farm is 100 GWh, and worth of the project is 35 million euros. The construction works should start in a year period. Croatian power utility (HEP) would purchase all electricity produced in new wind farm.

Enersys also announced plans for construction of its third wind farm in Croatia.

According to official data, there are some 1,300 MW of potential wind power output in some 100 sites in Croatia, where several companies announced plans for construction of 600 MW in wind farms.

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### **PPC and KESH signed seasonal power exchange contract (Greece & Albania)**

Greece's Public power corporation (PPC) and Albanian power corporation (KESH) have signed seasonal power exchange agreement.

According to agreement, PPC will deliver 60 GWh of electricity during the night until February, and in return KESH, would return energy equivalent during the June-August in 2007th, the period of peak consumption in Greece. It is estimated that KESH would deliver between 50 to 100 MWh/h to Greece in aforementioned period.

Two companies also agreed to consider potential investments of PPC in electrical energy sector in Albania.

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### **Hellenic Petroleum announced increase in incomes (Greece)**

CEO of Hellenic Petroleum (HP) announced that company could achieve 20 % increase in incomes in 2006th comparing to the last year.

In the first nine months of this year, HP has reported 6.12 billion euros, comparing to 6.65 billion euros in whole 2005th.

The overall sales in 2006th should reach 8 billion euros, CEO said, where 12 % of that amount should be achieved on foreign markets.

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### **HTSO has forecasted a deficit of 700 MW next summer (Greece)**

Hellenic transmission system operator (HTSO) expressed concerns regarding the lack of electricity in the country next summer. According to estimations, some 700 MWh/h will be missing in certain periods. The worst problems are anticipated in highly populated Southern Greece.

Due to such forecast, in the latest analysis, HTSO proposed to initiate construction of two new 150 MW power plants, local media reported.

HTSO expects that power problems could be reduced by reduction in power demand in certain areas, by better power demand management and by putting in service new power plants.

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### **Two bids for construction of TPP in Aliveri (Greece)**

Two bids have been submitted in the tender for construction of gas fired thermal power plant (TPP) in Aliveri (370-420 MW). The worth of the project is estimated at 235 million euros.

The tender was launched by Public power corporation (PPC), and the bids were submitted by Metka with Alstom and by consortium of Alsaldo and Damco Energy. Some sources said that other potential participants sent the protest letters due to terms of the tender.

New plant should be built in period of 26 to 28 months, and it should be put in operation by the summer of 2009th.

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### **PPC along with Enel announced participation in tender for new power plants in Kosovo (Greece)**

Public power corporation (PPC) announced in official press release that its affiliate company SENCAP (South Eastern Energy Capital) would participate in the tender launched by ministry of energy and mining of interim government of Kosovo. SENCAP is the joint venture established by PPC and Contour Global.

The project in Kosovo is related to the construction of new thermal power plant, with potential power output of up to 2,100 MW, development of new coalmines (for existing and new power plants) and renewal of existing power plants in Kosovo.

PPC, i.e SENCAP and Italian Enel have formed consortium that has submitted bid in prequalification tender to the Kosovo's energy and mining ministry.

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### **Electricity prices to stay regulated (Greece)**

High official from Greece's ministry of development said that Greece has been expecting considerable investments in energy sector in period 2007-2015, during which government would continue to liberalize energy market.

The lignite reserves, currently controlled by state-owned Public power corporation (PPC), would remain in PPC's ownership, but private investors will have a right to acquire other coalmines under equal terms as PPC.

In the same time, electricity prices would remain regulated, as long as PPC continues to control over 70 % of electricity market in the country, official said. The increase in electricity prices would be equal to inflation rate for low and mid spending customers, while for the high spending customers the increase could be over the inflation rate.

In the related news, CEO of PPC said that privatization of national power company could not be done through standard models applied in most of the Europe due to large number of isolated islands in power network, which increase operational expenses. CEO called for rationalization of electricity tariffs and payment of public service obligation expenses to PPC.

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### **ELEM proposed construction of new power plant (Macedonia)**

According to Macedonia press, the state of Macedonia intends to build new combined gas-fired heat and thermal power plant (CHP)

near Skopje. The power plant should be built in cooperation with foreign strategic partner, and it should have power output of 195 MW, with annual production of 1.52 TWh of electricity and 500 GWh of heat energy. The worth of the project is estimated at 137 million euros, and the plant would be built in period of two and a half years.

It is expected that international tender for construction of new power plant might be launched until the end of this year. The entire project was prepared by Macedonian power plants (ELEM), where the project should be presented to the government very soon. New CHP should be built in eastern part of the capital, in industrial zone, where suitable infrastructure for new power plant already exists.

Estimations showed that Skopje would need additional 100 to 150 MWh of heat energy and 150 to 200 MWh of electricity in the next ten years.

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### **ELEM to demand increase in electricity prices (Macedonia)**

National power producer, the Macedonian power plants (ELEM), has been preparing a request for increase in price of produced electricity, sources said. ELEM has been intensively calculating the exact price of electricity produced by the company.

Until end of the December, ELEM should submit official request to the Regulatory energy commission (REC). Management of the company did not want to reveal the level of the increase, yet they said it would be relatively high.

The current production price of electricity is 2.2 eurocents per kWh, and experts said that tariff profitable for ELEM should be set at 2.9 eurocents per kWh.

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### **Tender for 70 small HPPs to be launched in mid December (Macedonia)**

Government of Macedonia should publish international tender for construction of 70 small hydropower plants (HPPs) in the mid-December.

In order to attract foreign investors, government of Macedonia, in cooperation with World Bank, has been considering an option for purchase of the future power output in new HPPs at privileged prices. Head of Regulatory energy commission (REC) also confirmed that REC and the government should set the new electricity tariffs, which would be simulative for potential investors, having in mind high operational costs in small HPPs.

Government has also hired consultants on this issue, the British company Nera. Nera's representative believes that, in long-term, future small HPPs could cover 5 to 10 % of overall power consumption in the country. Nera proposed to the government to adopt small changes in domestic laws regarding the concession contracts in order to facilitate construction of new plants.

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### **Government to sell 100 % of shares in TPP after all (Macedonia)**

Government of Macedonia has decided to sell 100 % of shares in fuel oil fired thermal power plant (TPP) Negotino (200 MW). This solved the dilemma imposed by some officials regarding the option for government to keep the stake in the TPP.

The decision was explained by the fact that minority shareholder would not have any impact on management of the privatized TPP Negotino. On the other hand, government will use funds paid for privatization of TPP to build new power plants.

As a reminder, former government has launched the first tender for sale of TPP Negotino this year, where the first ranked bidder was Austrian EVN. New government, which believed that tender procedure was not properly carried out, canceled the tender.

Officials from Macedonian power plants (ELEM) earlier proposed that state should keep 25 % of shares in TPP Negotino, by which Macedonia could be able to use part of the produced electricity in the TPP for domestic purposes.

Management of ELEM said that TPP Negotino should be constantly in operation in the next three years in order to avoid power cuts in Macedonia. Until now, TPP was mostly used as reserve capacity. In this moment, TPP Negotino, even when using expensive fuel oil, could produce electricity at favorable price, having in mind current import prices in the region, officials said.

ELEM proposed enlargement of TPP Negotino up to 500 MW and altering the TPP, not into gas-fired, but into the coal-fired power plant, where coal would be imported abroad. In this case, the price of the produced electricity would be 30 to 40 euros per MWh, ELEM believes.

ELEM proposed sale of 20 % of company's shares, by which 20 million euros could be acquired and invested in TPP Negotino.

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### **Government denied cancellation of sale of TPP Pljevlja (Montenegro)**

Deputy minister of development of Montenegro denied claims of member of board of director of Power utility of Montenegro (EPCG), who said that EPCG would not sign sale contract for thermal power plant (TPP) Pljevlja if long-term contract for power supply of Aluminum factory in Podgorica (KAP) was not revised.

As a reminder, TPP Pljevlja should be sold to EN Plus, the winner in the tender for sale of TPP, which is the part of Russian company Basic element, which is on other hand the owner of KAP. Deputy minister said EPCG's officials statement was his personal opinion on this subject.

EPCG's official said that TPP Pljevlja could deliver almost all contracted amount of electricity to KAP. In that case, EPCG would sign the contract for sale of TPP only if Russians agree EPCG to deliver only 100 GWh per year to KAP until 2009th, instead of 1.2 TWh per year. In the same time, KAP would be obliged to continue to import additional 600 GWh per year, as it was agreed in supply contract. He reminded that power supply agreement between KAP and EPCG was signed under assumption that TPP Pljevlja (200 MW) was property of EPCG.

The negotiations between government of Montenegro and EN plus are in progress, and two parties are currently arguing on license issues and prices. Executive director of EPCG confirmed that he signed protocol, which obliged him on silence during the negotiations.

Some sources confirmed that EPCG and KAP have been negotiating on power supply agreement, but without any progress. EPCG believes that Russian would realize importance of this issue, having in mind that TPP Pljevlja would produce electricity for KAP, and EPCG would be forced to import missing electricity for the KAP and for other customers or some two third of overall needs, which would be disaster for the country. Member of the board also announced resignations of entire board in case if power supply contract was not revised. Some sources said that government could cancel sale of TPP until 2011th, until the expiration of supply contract of KAP.

In the related news, minority shareholders of EPCG, who filed the lawsuit to the Supreme court of Montenegro regarding the power supply contract with KAP, accused state attorney of not doing nothing on this issue. Minority shareholders believe that selling the electricity to KAP at below market price of 2.044 eurocents per kWh is harmful for the company. They claim that EPCG loses over 9 million euros per year by this contract.

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### **Possible power cuts in 2007th (Montenegro)**

According to current estimations, Power utility of Montenegro (EPCG) would be forced to introduce power cuts in the next year due to lack of 400 GWh of electrical energy. The latest bids in the tender for import of electricity in 2007th showed that EPCG would not be able to cover electricity deficit in some periods of the next year.

Head of Transmission division of EPCG confirmed that prices offered in the tender for import of electricity in 2007th were over 65 euros per MWh in average. It implies that EPCG would need to pay 130 million euros for import next year, which would be twice higher comparing to this year.

According to Strategy of development of energy sector, which has been currently in preparation phase, Montenegro would be missing some 3.6 TWh of electricity per year until 2020th.

Management of EPCG believes that only option for overcoming energy shortages in the future would be construction of new unit in thermal power plant (TPP) Pljevlja and new hydropower plant (HPP) Kostanica, where these two new plants would provide 2.3 TWh of electricity per year. EPCG's officials also believe that another 400 GWh of electricity per year could be provided in future small HPPs.

In the related news, government of Montenegro blamed the centralized system of construction of power plants (especially HPPs) in former Yugoslavia for the current lack of electricity in the country. Officials from Ministry of economic development pointed out that only 17 % of hydro potential in Montenegro was utilized comparing to Slovenia, which utilized 75 % and Serbia, which utilized 60 % of its hydro potential.

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### **TPP Pljevlja out of service (Montenegro)**

Starting from mid-December, thermal power plant (TPP) Pljevlja will be out operation for seven days due to lack of coal, Power utility of Montenegro (EPCG) said.

When TPP was put out of service, coal reserves in TPP were sufficient for only one-day operation. TPP needs 5,000 tons of coal per day for normal operation. Director of TPP reminded that operational expense of restarting the TPP reaches 100,000 euros. Until the latest shutdown, TPP Pljevlja produced 1.15 TWh of electricity in this year, which is almost equal to annual production plan.

Board of directors of EPCG expects that coalmine Pljevlja would manage to deliver sufficient amount of coal during seven days period in order to put TPP in service in period of New Years and Christmas holidays. In the meantime, EPCG would try to import missing electricity through direct negotiations with potential suppliers. Board of director reminded on unfavorable financial situation in the company, having in mind that customers owe some 100 million euros to the company.

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### **EPCG requested approval for direct purchase of electricity (Montenegro)**

Power utility of Montenegro (EPCG) requested from the government to approve direct negotiations for purchase of missing electrical energy for the first quarter of 2007th.

According to Public procurement law, EPCG is obliged to purchase electricity through tender procedure.

If government approves the request, EPCG plans to acquire additional amount of 90 GWh for period January-April next year. Similar could happen in the rest of the year, having in mind that offered amounts in the latest tender would not be sufficient in certain periods.

Five companies, the EFT, Ezpada, HSE, Energy holding and Ostelektra, have submitted bids in the tender for import of 1.22 TWh of electricity in 2007th, recently launched by EPCG. The offered quantities will not be sufficient for the first quarter, the most critical part of the year, management of EPCG said.

EPCG should select the winners in the tender in the second half of December. Average offered price in the tender is above 65 euros, while EPCG allocated 67.5 million euros for electricity import next year. In this tender, the main tender criteria will be the most favorable prices.

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### **Several power traders signed electricity purchase agreement with TPP Turceni in 2007th (Romania)**

Power traders Euro-PEC and Energy Holding have signed the electricity purchase agreements with thermal power plant (TPP) Turceni.

The agreements refer to entire 2007th and traders accepted purchase price demanded by power producer, general manager of power complex in Turceni confirmed. He did not give the exact price, yet he said the prices were similar to those from OPCOM power exchange. Head of TPP Turceni recently said that company would demand 15 % increase in electricity prices for private suppliers. The current purchase agreements of Euro-PEC and Energy Holding, signed with TPP Turceni, expire on December 31st.

The power trading company Beny Alex is also ready to sign new purchase agreement, but for lower amount of electricity comparing to previous agreement, i.e. 20 MWh/h comparing to 40 MWh/h. Head of Beny Alex offered to pay around 44 euros/MWh at most to TPP Turceni. The current agreement between Beny Alex and TPP Turceni expires on December 31st 2007th.

TPP Turceni has canceled contract with Green Energy due to disagreements regarding the contracted price of electricity. Green Energy announced filing the two lawsuits against TPP Turceni.

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### **Regulatory body expect increase in natural gas tariffs up to 12 % in 2007th (Romania)**

According to estimations of National Regulatory Agency in the Field of Natural Gas (ANRGN), natural gas prices for Romanian households could rise 8 to 12 % in 2007th.

The increase in price will be related to 17.2 % increase in price of domestically produced natural gas, announced for the next year.

The natural gas tariffs would be adjusted every three months, from 145 dollars per 1,000 cubic meters in the first quarter of 2007th to 170 dollars in the last quarter. The final increase in price would be also related to the prices of imported natural gas.

According to international commitments, Romania should have gradually increased the price of domestically produced natural gas by 25 dollar per year (per 1,000 cubic meters). By this, in time when Romania becomes new EU member, natural gas prices in Romania should be equal to those in EU. Romania's officials recently asked from EU two more years to achieve target price. The final decision on new prices should be announced in mid December.

ANRGN estimated that, with unchanged production costs during the first quarter of 2007th, natural gas tariffs for households would not be increased on January 1st. ANRGN proposed that price of domestically produced natural gas in the first three months in 2007th should be equal to that in the last quarter of 2006th. i.e. 145 dollars per 1,000 cubic meters.

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### **Privatization contracts of seven large energy companies made public (Romania)**

As ministry of economy and commerce announced it, the privatization contracts of Petrom, Distrigaz Nord, Distrigaz Sud, Electrica Banat, Electrica Dobrogea, Electrica Moldova and Electrica Muntenia, were published on official website of the ministry.

The revealing of the contracts was demanded by Supreme Defense Council (CSAT) and president of Romania, due to noticed misconducts in several privatization procedures that endangered energy security in Romania.

All involved companies agreed on revealing the contracts, while ministry of economy and commerce only did not publish business plans of new owners.

The contracts showed following.

The Gaz de France, new owner of Distrigaz Sud, has paid 127.8 million euros for 30 % of the stake in the natural gas company. If the

French violated the terms of the contracts, they would be obliged to pay 50 % of the amount paid for the shares (or some 64 million euros) as compensation to state of Romania, according to privatization contract.

In the same time, government has granted preemption rights to Gaz de France for purchase of remaining shares in the company. On the other hand, Gaz de France cannot sell any of its shares in period of five years, without written consent of the government, to any investor different from Gaz de France's affiliate company.

The contract between Gaz de France and Romania was signed in October 2004th, while transfer of property took place in summer 2005th. French company has paid overall amount of 311 million euros for purchase of 30 % of shares and increase of capital stake at 51 %.

Germany company, E.ON Ruhrgas, the new owner of the gas company, E.ON Gaz Romania, the former Distrigaz Nord, should invest 20 million euros per year for upgrade of gas distribution network, privatization contract, signed in October 2004th, prescribed.

In the period of five years, Austrian OMV, the new owner of oil and gas company Petrom, will be obliged to preserve average number of employees equal at least to the privatization strategy, i.e. 38,200 employees at the end of 2006th and 22,630 at the end of 2009th. This would be 50 % reduction of Petrom's staff comparing to the situation in the moment of privatization.

Romanian state or OMV will have the right to collect 1.5 billion euros of penalties at most from each other in case of breaking of contract. This was the amount paid by OMV for Petrom.

In the same time, the state of Romania was obliged to pay environmental damages caused by Petrom prior the privatization. In addition, Romania was obliged to preserve the initial level of taxes and fees, related to Petrom, in the next ten years.

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### **Tests in unit 2 in NPP Cernavoda continue (Romania)**

In the second week of December, Nuclearelectrica has informed the public on start of the operation test for primary circuit in unit 2 (700 MW) in nuclear power plant (NPP) Cernavoda. The test is considered as vital for putting the unit 2 in operation.

The test will last 16 days and it will be related to usage of 80 technological systems in order to reach the pressures and temperatures close to the full operational stage. The next step will be manual load of nuclear fuel, which should take place in the beginning of 2007th.

Nuclearelectrica has reveal company's plans to focus on regional electricity market after unit 3 and 4 (700 MW each) became operational.

NPP Cernavoda was originally designed with 5 CANDU type 700 MW-reactors. In this moment, only unit 1 is in operation, providing 10.5 % of power output in Romania, and when unit 2 becomes operational, the NPP would provide some 18 % of national power output.

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### **Announcement of feasibility study for submarine power cable to Turkey (Romania)**

CEO of Transelectrica announced that feasibility study for construction of submarine power cable between Romania and Turkey would be carried out by Transelectrica and by private company from Turkey, having in mind that Turkish transmission system operator, the TEIAS, was banned by law to invest out of Turkey. The worth of the study is estimated at 1.5 million euros.

New 400 kV power cable was primarily aimed to enable transport of electricity between Russia, Ukraine, Moldova, Romania and Turkey, where another option predicts transport of electricity between Turkey, Romania, Poland, Serbia and Hungary.

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### **Report on production of energy resources (Romania)**

According to National Institute for Statistics, Romania has produced 3.608 million tons of crude oil in the period January-September this year. The producers reported 106,000 tons of oil reserves in the end of September.

In the same period, production of natural gas reached 9.034 billion cubic meters. The highest amount of 1.161 billions was produced in March, and the smallest in June, 902.53 million cubic meters.

The production of various types of gasoline was 3.759 million tons, and production of diesel reached 3.483 million tons. The highest amount of gasoline of 457,500 tons was produced in January, and the highest amount of diesel of 429,750 tons was produced in May. In the same period, 1.006 million tons of fuel oil was produced.

In the end of the September, producers stored 214,000 tons of gasoline, 100,000 tons of diesel and 88,000 tons of fuel oil.

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### **Transelectrica signed 24 million worth contract (Romania)**

National transmission system operator Transelectrica signed 24 million worth contract with consortium of Areva and Electromontaj.

The contract is related to upgrade of 220 kV power lines Gutinas-Bacau-Roman-Suceava into 400 kV power lines, along with upgrade of substations in Bacau, Roman and Suceava.

The project will be mostly financed by the loans of World Bank.

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### **Reduction in electricity export (Romania)**

Prime minister of Romania demanded from new minister of economy and trade to undertake all possible measures in order to reduce electricity export contracted by hydropower plants.

This was related to the incorrect report on fuel stocks for this winter season recently presented by the former minister of commerce and trade. According to new data, coal stocks stand at 70 % of planned level and reserves in hydropower plants stand at 50 % of planned level.

According to new data, situation was most dramatic in Tuceni and Rovinari, which have coal reserves sufficient for four or five days of operation.

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### **EPS launched new tender for import of electricity (Serbia)**

In the beginning of December, Power utility of Serbia (EPS) has launched a tender of import of additional 150 MWh/h of electricity in the period December-March.

Deputy general manager of EPS confirmed that only one company submitted a bid, but offered only 15 MWh/h at price higher than 79 euros per MWh. He said that this was the clear signal of lack of electricity in the region and that electricity prices would continue to rise.

EPS's management earlier explained that additional import was necessary due to drought period, because of which power production in hydropower plants was 30 % lower than planned, and due to increase in power consumption. According to latest data, in the end of November, daily power consumption in Serbia reached 126 GWh, which was 8 % higher comparing to last year.

As a reminder, EPS has already contracted import of some 500 GWh of in period November 1st 2006th – March 31st 2007th.

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### **New electro filter in TPP Kostolac A (Serbia)**

On December 1st, Representatives of EU in Serbia, government of Serbia and Power utility of Serbia (EPS) have officially put in service new electro filter in unit 2 in thermal power plant (TPP ) Kostolac A (200 MW). The electro filter was put in trial operation several days before.

The worth of the investment is 5 million euros, where the funds were provided by the European Agency for Reconstruction (EAR).

Minister of science and environmental protection of Serbia pointed out that EPS, which was one of the largest polluters in the country, has now become one of the leaders in environmental protection.

Head of EPS said that TPP Kostolac would operate from now on in accordance to EU environmental standards. Comparing to the six years ago, the considerable emission of green house gasses in nearby city of Kostolac was reduced two times.

After the end of modernization in both units in nearby TPP Kostolac B (2x300 MW), the emission would be reduced even ten times.

Overall funds invested in new electro filters by EPS reached 25 million euros, with 35 million euros yet to be invested very soon. Head of EPS repeated once again that national power company needed to invest 1.2 billion euros in environmental projects in the next ten years.

During the ceremony, general manager of EPS announced end of capital renewal of unit 1 in TPP Kostolac A(100 MW) in March next year.

Head of EU delegation in Belgrade confirmed that EU has invested 400 million euros in environmental projects in Serbia since 2000th.

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### **Signing the agreement on settlement of clearing debts with Russia, revitalization of HPP Djerdap and payment of natural gas debts announced (Serbia)**

In mid December in Moscow, minister of economy of Serbia and Russian minister of extraordinary situations have signed the initial agreement on settlement of 288 million dollars of clearing debts of Russia toward Serbia. The final agreement should be signed by the end of the year.

According to Serbian minister, Serbia would allocate 188 million dollars for the payment of debts for natural gas delivered by Russia, while the rest of 100 million dollars would be invested for renewal of the largest hydropower plant (HPP) in Serbia, the HPP Djerdap (1,080 MW).

Minister of economy confirmed that he received assurance from Russian officials that memorandum of understanding between Serbia and Gazpromexport, regarding construction of new natural gas pipeline in Serbia, would be signed on December 20th.

Regarding the renewal of HPP Djerdap, if project started in spring next year, all six turbines in HPP would be revitalized by 2010th, experts estimated. By this project, operational life of HPP Djerdap (put in service in 1972nd), would be prolonged by at least 30 years.

In the same time, the power output of HPP would be increased by 60 MW, and the project should be carried out by Serbian and Russian companies, among them the company that deliver original equipment in the HPP.

According to standards, renewal of HPP should have been carried out 15 years ago, but it was delayed due to lack of funds and economic sanctions imposed to former Yugoslavia.

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### **EPS launched tender for renewal of HPP Bajina Basta (Serbia)**

Power utility of Serbia (EPS) has launched a tender for renewal of all four units (90 MW each) in hydropower plant (HPP) Bajina Basta. The project will be financed by loan from German KfW bank and by EPS's own funds. EPS earlier announced that KfW would provide 30 million euros for the project, while EPS would provide the rest of 20 million euros.

The deadline for submission of bids in international tender is March 30th 2007th, where all interested company will be able to obtain tender documentation for 2,500 euros. The winner in the tender will be obliged to uninstall existing equipment in HPP and to deliver four new turbines and generators, and other necessary equipment.

It is expected that tender will be finished during the next year, where all necessary contracts should be signed with tender winner. The renewal of the first out of four units in HPP should start in autumn 2009th. The power output of all units should be increased by 10 MW per unit, so that power output of HPP Bajina Basta would be increased by 40 MW up to 400 MW.

If EPS provides necessary funds, the construction of fifth unit in HPP, with power output of 42 MW could start, having in mind that project documentation was prepared long time ago.

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### **New criteria for qualified power customers (Serbia)**

The Regulatory energy agency of Serbia (REA) decided that new limit of power consumption for qualified power customers would be reduced from current value of 25 GWh to 3 GWh per year. The new regulation will be put in power starting from January 1st next year, and the qualified customers will have a privilege to choose its power supplier.

There are some 350 customers in Serbia with overall power consumption over 3 GWh per year, and they spend 21 % of overall power consumption in Serbia.

Until now, none of 38 currently registered qualified customers used the option to find new power supplier. REA believes that new regulation on qualified power customers is the step forward in opening electricity market in Serbia in accordance to Energy treaty in South-eastern Europe.

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### **Report on electricity production and consumption in October and November (Serbia)**

Power utility of Serbia (EPS) confirmed that power consumption in October and November this year was higher than planned, despite higher average temperatures than forecasted in that period. Temperatures in October and November were 2.6°C higher comparing to multiyear average. According to data, power consumption in November was 3.5 % higher than planned.

Due to aforementioned reasons and due to low inflows in run-of-the-river hydropower plants (HPPs), both thermal power plants (TPPs) and storage HPPs achieved power production higher than planned.

TPPs (without Kosovo) produced overall amount of 4.6 TWh of electricity in October and November, which was 812 GWh or 21.5 % higher than planned. In the same time, it was 4.8 % higher comparing to the last year.

In the same period, storage HPPs produced 419 GWh, which was 106 GWh or 34 % higher than planned. Nevertheless, it was 17 % lower comparing to last year (due to large floods last year).

Due to drought, run of the river HPPs produced only 912 GWh of electricity, which was 400 GWh or 26.4 % lower than planned. Also, it was 30 % lower comparing to the last year.

Despite increased production in TPPs, EPS was forced to import 240 GWh (80 GWh import of Kosovo included), partly from other power companies and partly from power traders. In October, there was no electricity import, and in November, EPS imported 138 GWh from power traders, which was 393 GWh lower than planned. Import in November was disrupted in period of three days due to fault of interconnection power line between Serbia and Romania.

In the end of November, the coal reserves at depots in TPP were 1.7 million tons, which was 17 % or 350,000 tons lower than planned.

As a comparison, in the beginning of October, coal reserves stood at 2.3 million tons or 20 % higher than planned.

Coal reserves were reduced due to high production of TPPs, despite increase in coal production and delivery. It is estimated that TPPs could produce additional amount of 1 TWh of electricity per year, if the coal production was increased.

The accumulated energy in storage lakes reduced from 85 % of maximum level in the end of October down to 60 % in the end of November.

The gross power consumption reached 6.4 TWh (Kosovo included). In October, power consumption reached 2.5 TWh (without Kosovo) and in November 3.1 TWh (without Kosovo).

Overall power needs of EPS were 0.5 TWh higher, i.e. 6.9 TWh (4.3 % higher than planned), when taking in consideration consumption of pump-storage HPPs, power consumption in TPPs and HPPs and returning electrical energy to partners.

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### Supply of Serbian consumers in Kosovo (Serbia)

Government of Serbia, with help of EU, managed to persuade UNMIK administration in Kosovo to accept humanitarian delivery of 50 GWh of electrical energy to Serbian enclaves in Kosovo. Some 30,000 people live in those enclaves.

Head of UNMIK also proposed that Serbia, instead delivering of electricity, could pay the debts of Serbian customers, which would help Kosovo Power Corporation (KEK) to provide reserves for the winter season. By this, Serbia wants urgently to solve the problems in power supply of Serbian enclaves.

The next step for Serbian authorities is to acquire license for power distribution company that would be responsible for power supply of enclaves. Head of UNMIK generally supported the idea, Serbian officials said.

According to official data, despite constant power cuts, power consumption in Kosovo is constantly rising. Gross consumption in October and November reached 787 GWh, which was 51 GWh or 7 % higher than planned. In the same period, thermal power plants (TPPs) in Kosovo produced 699 GWh, which was 17 GWh or 2.4 % lower than planned.

The power cuts for third category of customers, where Serbian enclaves belonged, lasted sometimes more than 20 hours per day.

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### Increased consumption in northern regions (Serbia)

Power consumption in northern part of the Serbia, i.e. in Vojvodina province was increased by 2 % in period January 1st – November 20th this year comparing to the last year, official data showed.

In this period, overall power consumption in Vojvodina reached 7.48 TWh. Power distribution company Elektrovojvodina delivered some 7 TWh to the distribution customers, which was 3.5 % higher comparing to the last year. Industrial customers connected directly to power grid spent 413 GWh, which was 18 % lower comparing to the last year.

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### Ten companies expressed interest for projects in energy sector (Serbia, Kosovo)

Ministry of energy and mining in interim government of Kosovo confirmed that ten large companies and consortiums have officially expressed interest for investments in new thermal power plants and coalmines in Kosovo. The public invitation was launched by Kosovo government.

The letters of intentions were submitted by the consortium CEZ (Czech Republic)-AES (USA), KazTransGaz( Kazakhstan), RWE Power AG (Germany), the consortium EnBW/WGI (Germany/USA), EDISON (Italy), EVN (Austria), United Resources AG (Switzerland), BOT (Poland), EN+ (United Kingdom), and finally the consortium Enel/Sencap ( Italy/Greece).

The list of pre-qualified companies should be published by the end of the first quarter of 2007th, after which government would invited selected companies to submit bids in the tender.

In the related news, CEZ has announced option for investing 3.5 billion euros in aforementioned energy projects in Kosovo. 2.8 billion euros would be invested in new 2,000 MW power plant and the rest would be invested in coalmine, CEZ said.

CEZ also announced possible participation in the tender for construction of thermal power plant Kolubara B (700 MW) in Serbia, where CEZ could invest some 750 million euros.

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## Tenders:

### Electricity

Company / organization:	EAR, related Serbia
Preparation of the detailed design of the 2nd phase of the HV transmission line Nis 04SER01/06/025 Skopje	
Content:	The purpose of the project is to prepare the detailed design (based on the existing feasibility study for the 400kV overhead transmission line from Leskovac substations to the border with the Former Yugoslav Republic of Macedonia and to prepare the detailed technical specifications, and tender dossiers for the project, which will be let under FIDIC Construction Contract Conditions. The objective of the project is to achieve a finalised detailed design; tender dossiers (with technical specifications and commercial inputs) and the launched tender for the works contract. Required fields of expertise: design or maintenance of overhead electricity transmission lines or high voltage equipment. Maximum budget € 450,000
Deadline:	9.1.2007; 12:00, CET
Contact:	The European Agency for Reconstruction, Serbia Vasina 2-4, 11000 Belgrade Fax no.: +381 11 3023 455



Company / organization:	EBRD, related Bosnia and Herzegovina
<b>Power distribution</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published on EBRD website dated 11 November 2005. ELEKTROPRIVREDA REPUBLIKE SRPSKE hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Goods and related Services for purchasing of Low and Medium Voltage instruments transformers, cables and auxiliary equipment for Low and Medium Voltage lines.</p> <p>The Purchaser now invites sealed tenders from all interested Suppliers and/or Manufacturers for the following contracts to be funded from part of the proceeds of the loan:</p> <p>LOT A: Supply of LV and MV overhead and underground cables and conductors for the voltages up to 35 kV, including accessories and ADSS optical cables (LV self-supporting cable bundle; LV and MV underground cables; cable accessories; Al-FE conductors – ropes; earthing tapes; ADSS optical cables)</p> <p>LOT B: Supply of poles for overhead lines up to 20 kV (Concrete and wooden poles)</p> <p>LOT C: Reconstruction of Substations 10(20)/0,42 kV and 35/10 kV LV distribution cabinets; MV switch-gears 10 and 20 kV –RMU; reclosers</p>
Deadline:	25 Jan 2006 at 13:00, Banja Luka time
Contact:	<p>ELEKTROPRIVREDA OF THE REPUBLIC OF SRPSKA; Project Implementation Unit          Mr. Milorad Živković, PIU Director          Tel: ++ 387 51 215 658, 654 or ++387 59 277 146          Fax: ++ 387 51 215 667, 670 or ++387 59 277 149</p>

Company / organization:	EAR, related Kosovo
<b>Major Overhaul of Over Burden System for Sibovc South West Mine</b>	
Content:	<p>The works consist of the refurbishment of an overburden removal system in the Kosovo lignite mines. The contract will be based on the FIDIC "Conditions of Contract for Plant and Design-Build" First Edition 1999 (Yellow Book).</p> <p>The project concerns the overhaul of one complete system, including bucket wheel excavator SRs 1300 + VR for overburden removal with the annual performance of 5 million bank cubic meters, conveyer line (including belt drive stations, hopper and tripper car matching the size of the excavator, conveyor line and the spreader) for overburden transport from the excavator to the spreader at dumping site and the spreader A2RsB 4400. The project also includes the delivery of new cable drums.</p> <p>This project will lead to increasing the reliability of coal supply to the existing generation units and prepare the system for the operation of the new Sibovc South West Mine</p>
Deadline:	19 February 2007 at 17hrs00 Central European Time
Contact:	<p>European Agency for Reconstruction, Kosovo, Pristina          Fax: + 381 38 51 31 308          E-mail: luisa.lopez@ear.europa.eu          Copy to: majlinda.statovci@ear.europa.eu</p>

Company / organization:	EPS, related Serbia
<b>Upgrading of DGS Mills at TPP "Nikola Tesla" A (rehabilitation of units no. A3 to A5) and Replacement of ash slurry system at TPP "Kostolac" A</b>	
Content:	<p>Required Services:          Programme Consultant for the envisaged upgrading of DGS mills in "Nikola Tesla" TPP and thick slurry ash transport incl. improvement of ash disposal site in Kostolac.</p> <p>The Programme shall be financed through a loan issued to EPS by KfW Entwicklungsbank under Export Credit Cover from an Export Credit Agency (ECA) and a grant within the framework of the bilateral German-Serbian Financial Co-operation totalling 46 million EUR and by local contributions of approximately 10 million EUR. Experience with ECA cover and familiarity with procurement under ECA rules is a must.</p> <p>Project measures: the restoration of the capacity and of the efficiency of the units no 3, 4 &amp; 5 of TENT-A and increase in energy availability (operation of the units on full load with 5 mills using guaranty coal) by replacement of mill interior parts, new shafts, new gearbox, partial renewal of motors, improved coal dust distribution, Environmentally sound disposal of ash. Improvement of the overall environmental condition of the ash disposal site by installation of thick slurry transport scheme including pumps, piping and controls, re-cultivation of two cassettes of the disposal site and introduction of a monitoring system. It will be necessary that the Consultant team includes an environmental and monitoring Expert with international project experience.</p> <p>The scope of work is split up in two parts covering preparation and implementation of the measures. Only offers covering both aspects will be eligible. Consultants may form consortia for this purpose. Qualification of all partners has to be proven. The tender is held as public international bidding, following a post-qualification procedure.</p> <p>Preparation Phase: Elaboration of tender documents tendering and evaluation of tenders incl. assistance in contract award.</p> <p>Assistance in alleviating environmental impacts to acceptable levels (especially at Kostolac).</p> <p>Implementation Phase: Supervision of supply contracts</p>
Deadline:	25th January 2007, 14:00 hours local time
Contact:	<p>JP ELEKTROPRIVREDA SRBIJE (EPS)          Head Department for Strategy and Investments          Attn: Mr. Nebojsa Grigorjev          Vojvode Stepe 412          11000 Beograd          Serbia          Tel. +381-11-397-29-59          Fax: +381-11-397-00-45          Email: nebojsa.grigorjev@eps.co.yu .</p>

Company / organization:	EPCG, related Montenegro
<b>Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <p>Montenegro is currently undertaking substantial efforts to strengthen and transform the entire power sector. The current project aims on the one hand at the extension of the 400 kV Switching Station Ribarevine in order to allow for power transformation to a level of 110 kV in the northern part of the country and on the other hand at the construction of a new 110/10 kV substation Podgorica 5 in an industrial area close to the international airport.</p> <p>Consulting services will comprise assistance to the Project Management Unit (PMU) within EPCG for: technical concept, preparation or adaptation of tender documents, evaluation of proposals, assistance in contract award, quality control of supplies and site supervision of contractor's activities, budget control, reporting, commissioning and handing over of the installations.</p>
Deadline:	January 22nd, 2007 at 13:00 hours Montenegro time
Contact:	Dipl.-Ing. Klaus Müller Südring 57, 69514 Laudenbach, Germany Tel.: +49 (0)6201 – 98 64 32 Fax: +49 (0)6201 – 79 00 76 E-Mail: klaus.ernst.mueller@gmx.de

Company / organization:	EAR, related Serbia
<b>District Heating Modernisation and Rehabilitation</b>	
Content:	<p>The project includes modernization of District Heating systems in five Serbian cities. Selected measures in each city represent an independent lot.</p> <p>Lot 1 – Cacak: Renovation and extension of two major boiler plants (35+10 MW and 3 x 4,7 MW), new transmission line networks and renovation/upgrading/new substations</p> <p>Lot 2 – Pancevo: New transmission hot water piping (total route length about 6 km with starting diameter DN 400 of about 2 km), new circulation pumps, new primary/secondary mixing stations, adjustments on house substations.</p> <p>Lot 3 – Subotica: Replacement of two transmission hot water piping lines (total route length 1,4 km including DN 500 of about 0,8 km; and 2,7 km including DN 350 of about 1 km) and 74 new house substations.</p> <p>Lot 4 – Uzice: Modernisation of four boiler plants including new boilers with auxiliaries and corresponding building extensions in three locations (3 x 8 MW in one location; and 2 x 3,9 MW in two other locations each); new hot water piping networks and upgrade of existing substations including a centralized command and monitoring centre.</p> <p>Lot 5 – Valjevo: Construction of a new central boiler plant (with the building designed for 3 boilers and installation of just one 30 MW boiler with auxiliaries at this stage) and a new transmission hot water piping DN 500 of route length 1,7 km.</p>
Deadline:	05 March 2007, 12:00 local time

Contact:	European Agency of Reconstruction Vasina 2-4, 11000, Belgrade, Republic of Serbia Att.: Procurement Officer Fax: + 381 11 30 23 466
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Company / organization:	PPC, related Greece
<b>170KV COMPACT INTEGRATED SUBSTATION MODULES</b>	
Content:	<p>170KV COMPACT INTEGRATED SUBSTATION MODULE, in accordance with the attached PPC' s technical specification SS-77 FEBRUARY 2006, consisting of the following electrical equipment:</p> <ol style="list-style-type: none"> <li>One (1) 3-pole circuit breaker or three (3) single pole circuit breakers, suitable however for 3-pole operation.</li> <li>Two (2) three-pole disconnectors or two (2) groups of three (3) single-pole disconnectors.</li> <li>One (1) 3-pole earthing switch or three (3) single-pole earthing switch.</li> <li>Three (3) 1-phase current transformers.</li> <li>Three (3) 1-phase voltage transformers.</li> </ol> <p>Quantity: 4 pcs</p>
Deadline:	19.12.2006, 11:30 AM
Contact:	89 DIRRAHIOU AND KIFISSOU STR., OFFICE No 101Á, PHONE No +30 210 5192626

Company / organization:	EPCG, related Montenegro
<b>Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <p>Montenegro is currently undertaking substantial efforts to strengthen and transform the entire power sector. The current project aims on the one hand at the extension of the 400 kV Switching Station Ribarevine in order to allow for power transformation to a level of 110 kV in the northern part of the country and on the other hand at the construction of a new 110/10 kV substation Podgorica 5 in an industrial area close to the international airport.</p> <p>Consulting services will comprise assistance to the Project Management Unit (PMU) within EPCG for: technical concept, preparation or adaptation of tender documents, evaluation of proposals, assistance in contract award, quality control of supplies and site supervision of contractor's activities, budget control, reporting, commissioning and handing over of the installations.</p>
Deadline:	January 22nd, 2007 at 13:00 hours Montenegro time
Contact:	Dipl.-Ing. Klaus Müller Südring 57, 69514 Laudenbach, Germany Tel.: +49 (0)6201 – 98 64 32 Fax: +49 (0)6201 – 79 00 76 E-Mail: klaus.ernst.mueller@gmx.de

Company / organization:	EPCG, related Montenegro
<b>Rehabilitation and Modernisation of Hydro Power Plant Piva; Consulting Services for Project Preparation and Execution</b>	
Content:	<p>Required Consulting Services:</p> <ul style="list-style-type: none"> <li>» Checking of all existing documentation</li> <li>» Inspection of the Power Plant</li> <li>» Tendering of the necessary testing of equipment and civil works to third party companies/institutions</li> <li>» Decision as to the required scope of rehabilitation</li> <li>» Establishment of Preliminary Design and Feasibility Study to fulfil the requirements of national legislation to integrate the scheme into the budget</li> <li>» Establishment of the complete tender design and documents for all rehabilitation measures</li> </ul> <p>Assistance to the PEA in evaluating the tenders and negotiation of contracts</p> <ul style="list-style-type: none"> <li>» Supervision of all supply, erection and construction works</li> <li>» Execution of all factory acceptances</li> <li>» Execution of provisional and final acceptances at the site and establishment of the respective certificates</li> <li>» Reporting</li> <li>» Cost control</li> </ul>
Deadline:	January 29th, 2007 at 13:00 hours Montenegro time
Contact:	<p>Dr.-Ing. Franz Dietmar Sprenger  Obergasse 21, 61 273 Wehrheim, Germany  Tel.: +49 – (0)60 81 - 44 34 24  FAX: +49 – (0)60 81 - 44 38 52  E-mail: sprengerfranz@aol.com</p>

Company / organization:	EAR, related Kosovo
<b>Replacement of Relay Protection in the Transmission Substations Kosovo B and Replacement of Relay Protection and Control System in Pristina 4</b>	
Content:	<p>This project is for improving the reliability and security of the transmission grid in Kosovo-UNMIK. The scope of the project includes three components:</p> <p>Component 1: Dismantling the old protection system and replacement with a new digital relay protection system in Kosovo B (400/220 kV) Substation.</p> <p>Component 2: Dismantling the old protection system and replacement with a new digital relay protection system in Pristina 4 (220/110 kV) Substation.</p> <p>Component 3: Supply and Installation of Control System (SCS) in Pristina 4 220/110 kV Substation</p> <p>The direct beneficiary of the project is the Kosovo Independent Transmission and System Operator (KOSTT).</p>
Deadline:	13 March 2007 at 17:00, CET
Contact:	<p>European Agency for Reconstruction  1, Kosova Street  (in front of Procredit Bank)  Pristina, KOSOVO  Attn.: Procurement Officer  E-mail to: luisa.lopez@ear.eu.int  and: majlinda.statovci@ear.eu.int</p>

Company / organization:	EPS, related Serbia
<b>Rehabilitation of Hydropower Plant Bajina Basta</b>	
Content:	<p>The Electric Power Industry of Serbia (EPS) has received a development loan from KfW (provided on behalf of the German Government) toward the cost of the Rehabilitation of Hydropower Plant Bajina Basta project. Part of the proceeds of this development loan is intended for payments under the Work Contract(s) for which this Invitation for Bids is issued.</p> <p>The EPS now invites sealed bids from eligible bidders for the for supply and works project Rehabilitation of Hydropower Plant Bajina Basta, a run-off-river plant with Francis-type turbines of an installed capacity of 4x93 MW with the first generating unit having been commissioned in 1966</p> <p>The general scope of the Works and Supply shall cover the four (4) turbine-generating units and appurtenant equipment and shall include, but not be limited to, the following: plant and equipment data acquisition and pretesting of existing equipment, dismantling of existing equipment, its temporary site storage (disposal), preparation and transport to factories (local and abroad) for reconstruction and rehabilitation, Design of equipment (for reconstruction, rehabilitation, upgrading and production of new one), Procurement of materials and equipment, Reconstruction, rehabilitation, production and testing of the equipment at factories (locally and abroad), Packing, transport and storage to the Site, Insurance of the Works and Supplies, Erection of the equipment, commissioning and handing over of the plant.</p>
Deadline:	30.03.2007, 14:00 hours local time
Contact:	<p>Mr. Dejan Ostojic  email: dejan.ostojic@eps.co.yu</p>

Company / organization:	EBRD, related Serbia
<b>Belgrade District Heating</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published in Procurement Opportunities on the EBRD website on 30th September 2004 and updated on the EBRD web-site on 14 February 2006, and in Official Gazette of the Republic of Serbia.</p> <p>The Municipality of the City of Belgrade has received a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of a Programme for the rehabilitation of the Belgrade District Heating (DH) system. The proposed Programme, which has been allocated a total of Euro 20 million, will be implemented by JKP BEOGRADSKE ELEKTRANE, a wholly owned company of the City of Belgrade, hereinafter referred to as "the Employer".</p> <p>The Employer now invites sealed tenders from contractors for the following contracts to be funded from part of the proceeds of the loan:</p> <p>Contract for the Supply and Installation of Economisers for</p> <p>TO Dunav, TO Konjarnik and TO Vozdovac</p> <p>The contract includes design, manufacturing, supply and installation of four economizers (2 x 6 MW and 2 x 3 MW) as by-pass on the existing flue gas duct with adequate dampers, and also their integration with the existing equipment and systems.</p>
Deadline:	19 December 2006 at 11:00, Belgrade time.

Contact: Mr. Bojan Bogdanović  
Address: Savski nasip 11  
11070 Novi Beograd,  
Serbia and Montenegro  
Tel: +381 11 20 93 633  
Fax: +381 11 20 93 601  
E-mail: tender@beoelektrane.co.yu

Company / organization: PPC, related Greece

#### FITTINGS FOR 150KV T.L

Content: -Long Socket – Clevis (dwg. TR-4/13L)  
-Self Locking Hook (dwg. TR-4/01)  
-Yoke for double tension string (dwg. TR-4/14)  
-Twin Arcing Horn for Double Tension String (dwg. TR-4/17)  
-Arcing Horn for Double Tension String (dwg. TR-4/16)  
-Adjustable Arcing Horn (dwg. TR-4/19)  
-Arcing Horn for Single Tension String (dwg. TR-4/18)  
-Chain Link 16t (drawing TR-4/09)  
-Chain Link 7t (drawing TR-4/08)  
-Extension Link for Single tension string (dwg. TR-4/15)  
-Shackle 10t for single tension string (dwg. TR-4/10)  
-Shackle 16t for double tension string (dwg. TR-4/11)  
-Socket-eye for heavy conductor (dwg. TR-4/03)  
-Ball-clevis (dwg. TR-4/12)  
-Socket – clevis (dwg. TR-4/13)  
-Counterpoise connector (dwg. TR-4/32)  
-Suspension clamp for heavy conductor (dwg. TR-4/05)  
- Compression dead end clamp for heavy conductor (dwg. TR-4/2)  
-90° shackle (dwg. TR-4/11A)  
-Long Socket-eye for heavy conductor (dr. TR-4/03L)  
-Yoke for Double Suspension String Yoke (dwg. TR-4/14A)

Deadline: 22.12.2006, 9:30 AM

Contact: 89, DIRRAHIOY & KIFISSOU OFFICE No 020; PHONE No +30 210 5192607

Company / organization: EPS, related Serbia

#### Preliminary Site visits for potential strategic partners interested in investments into the 700MWe Kolubara Lignite-fired power plant

Content: Project Status  
  
The selection of advisors was concluded in summer 2006 and is followed by a premarketing phase including preliminary site visits allowing strategic partners, upon signing a non-disclosure agreement access to the potential site of the power plant. Electric Power Industry of Serbia is interested in receiving feedback from potential strategic partners on the optimal location of the power plant before announcement of a public tender.

Contact: Gudrun Kuffner, Project Manager, EPIC Vienna, Austria; Tel: +43 1 5011957; Fax: +43 501199, email: gudrun.kuffner@epicinvest.com;

Jasmina Nestic, Project Manager, EPIC Belgrade d.o.o., Belgrade, Serbia; Tel: +381 11 2633290; Fax: +381 11 2628975; email: jasmina.nestic@epicinvest.com

Company / organization: **EAR, related Serbia**

#### Ash Disposal System – Nikola Tesla B Thermal Power Plant

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

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

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

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

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

Deadline: 26. January 2007, 15:00 CET.

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

Company / organization:	<b>EBRD, related Romania</b>
<b>Timisoara District Heating - Works and Consultancy</b>	
Content:	<p>CLT Colterm S.A. ("Colterm" or the "Company"), the district heating company owned by the City of Timisoara, has applied for a loan from the European Bank for Reconstruction and Development (the "Bank") for the modernisation of the municipal district heating system. The Company intends using the proceeds of the loan for the installation of new gas turbine units of 20 MW gross electricity production with a 29 MW thermal output and for district heating and corporate management consultants. Colterm will be the implementing agency.</p> <p>The proposed project, which has a total estimated cost of EURO 22.5 million, will require the procurement of works and services for the following components:</p> <p>(a) supply and installation of gas turbine units;</p> <p>(b) procurement and implementation supervision;</p> <p>(c) corporate development programme (donor financed)</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</p>
Deadline:	21 Aug 2007 at 24:00, Timisoara time
Contact:	Aurel Matei , Deputy General Manager Colterm S.A. Str. Ep. Joseph Lonovici nr. 4 300092, Timisoara Romania Tel: 0040 256 434 614 Fax: 0040 256 434 616 Email: aurel.matei@colterm.ro

Company / organization:	<b>EBRD, related Romania</b>
<b>CFR TRACTION ENERGY NETWORK MANAGEMENT PROJECT</b>	
Content:	<p>This notice updates the General Procurement Notice published on Ebrd Website dated 22nd July 2005 under reference 5104-GPN-36043.</p> <p>CFR SA and its subsidiary CFR Electrificare have received 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;</p> <p>1. Supply and installation of equipment sets consisting of traction substations, switching equipment, railway station distance control equipment, and central dispatching equipment and communication facilities;</p> <p>2. Supply of catenary maintenance vehicles; and</p> <p>3. Consultancy services for contract supervision.</p> <p>Tendering for the above contracts started in the second half of 2006.</p>
Deadline:	24 Jul 2007 at 24:00, Bucharest time

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
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Company / organization:	<b>EBRD, related Romania</b>
<b>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</b>	
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>

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## Coal

Company /  
organization:

EPS, related **Serbia**

### Development of study

Content:

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.

Contact:

Ms. Radmila Zivojinovic, D. Sc., phone number +381 11 3971 960, e-mail: radmilaz@eps.co.yu.

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