

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

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- » 616 million euros for import of energy sources in 2006th
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- » EPCG reduced electricity import due to favorable hydrology
- » Norway granted 1.17 million euros to EPCG
- » Customers owe 85 million euros to EPCG
- » EPCG owes 35 million euros to coalmine Pljevlja

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- » Transelectrica to list another 5 % of shares in 2007th
- » Supreme Defense Council demands all privatization and supply contracts in energy sector to be made public
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- » Government supported construction of new gas pipeline
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- » EN Plus wants to participate in the tender for renewal of TPP Kosovo A
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Serbia, Kosovo:

- » KEK improved collection rate, official demanded for better performance
- » Kosovo corporation of Lignite to be established

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

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Balkan Energy NEWS publication

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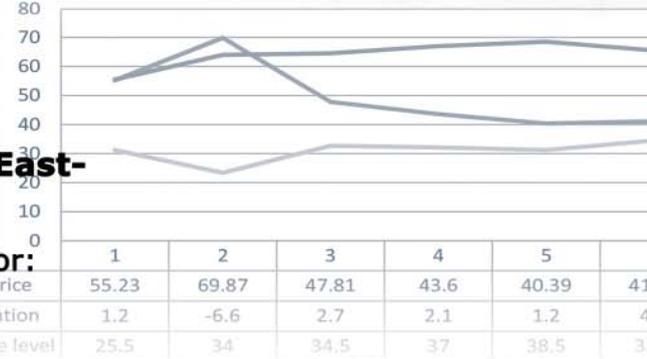
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1022	Slovenia	2008	12267	1083	991	978	938
1134		2010	12267	1083	991	1054	941
1077		2011	12590	955	1051	1127	997

OPCOM

Annual electricity consumption in GWh		Year	Sum	1	2	3	4
12		2007	11182	1027	891	953	850
16		2008	11570	1094	998	1012	911
95		2009	10994	1099	932	963	816
81	Bosnia and Herzegovina	2010	11722	1074	979	1016	910
00		2011	12186	1155	1038	1075	938
86		2008	34506	3291	3289	2960	2837
05		2009	32721	3291	3196	3196	2636
87	Bulgaria	2010	31954	3486	3052	3021	2443
70		2011	33452	3475	3107	3087	2577
47		2008	17842	1680	1543	1570	1599
15		2009	17507	1625	1530	1551	1323
71	Croatia	2010	15474	1553	1481	1553	1356
63		2011	15474	1553	1481	1553	1356
77		2008	4306	4915	4539	4269	4105
53		2009	53504	4652	4271	4401	3894
71	Greece	2010	53565	4666	4107	4327	3913
39		2011	53565	4666	4107	4327	3913
11		2008	4521	4521	4521	4521	4521
94		2009	4521	4521	4521	4521	4521
73		2010	4521	4521	4521	4521	4521
52		2011	4521	4521	4521	4521	4521
44		2008	530	530	530	530	530
10		2009	530	530	530	530	530
38		2010	530	530	530	530	530
9		2011	530	530	530	530	530
13		2008	54137	4735	4418	4660	4081
25		2009	54137	4735	4418	4660	4081
64		2010	50636	4736	4268	4473	3803
92	Romania	2011	52365	4874	4472	4727	4727



Country Reports on Energy Business in South Eastern Europe

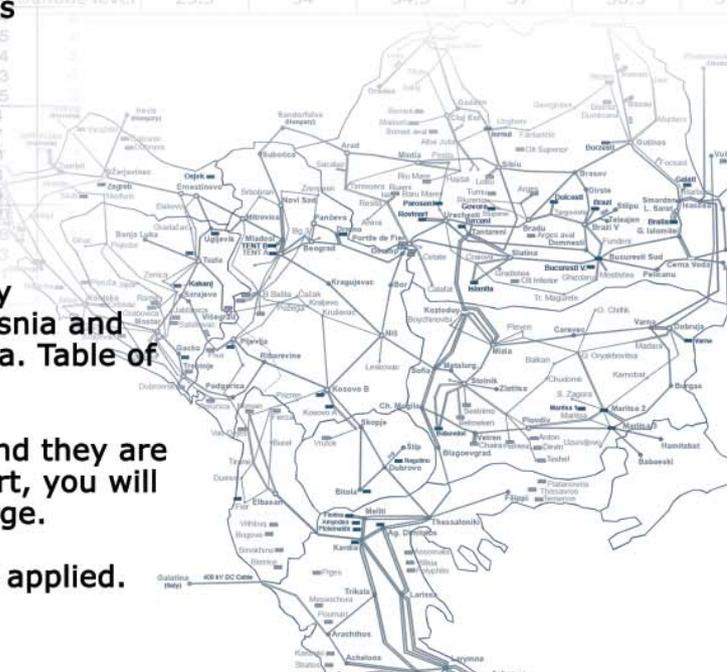
Country reports provide detailed overview of energy sector:

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

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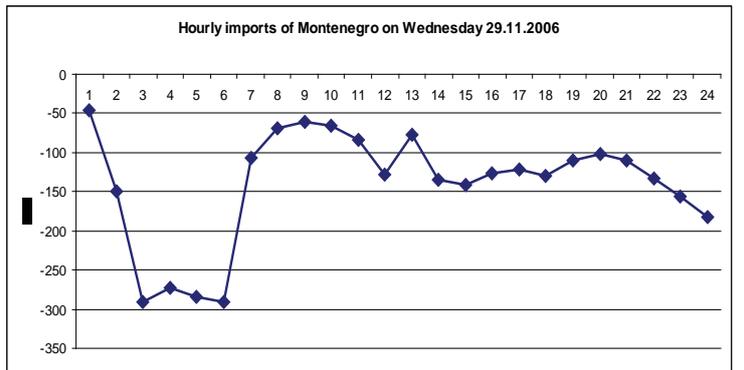
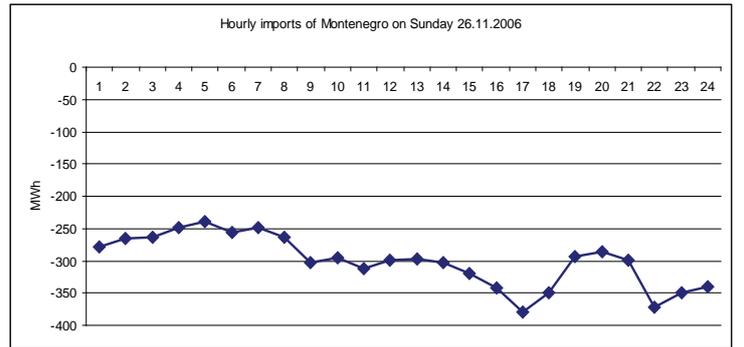
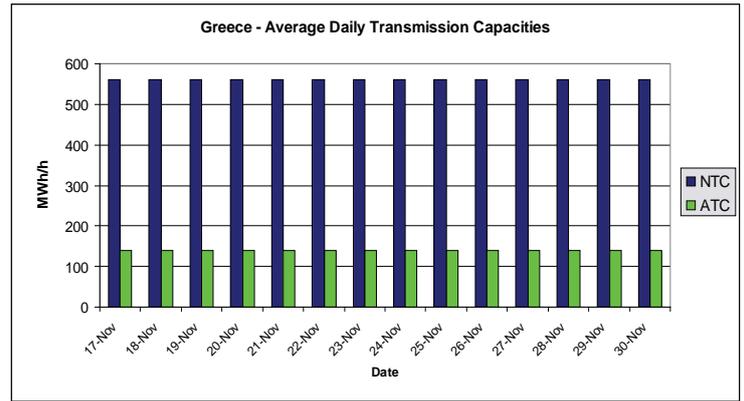
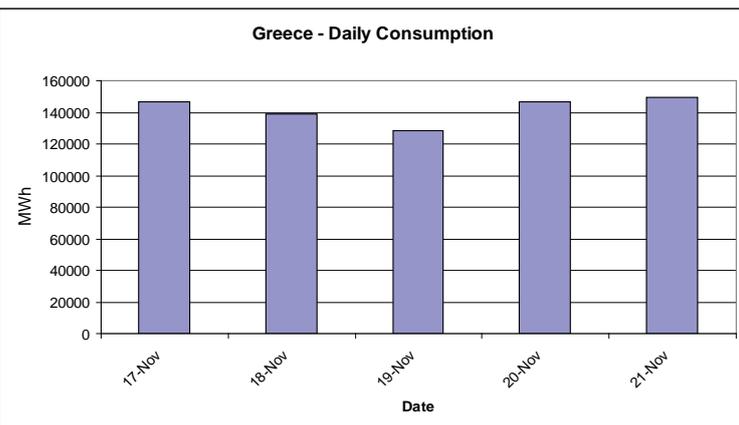
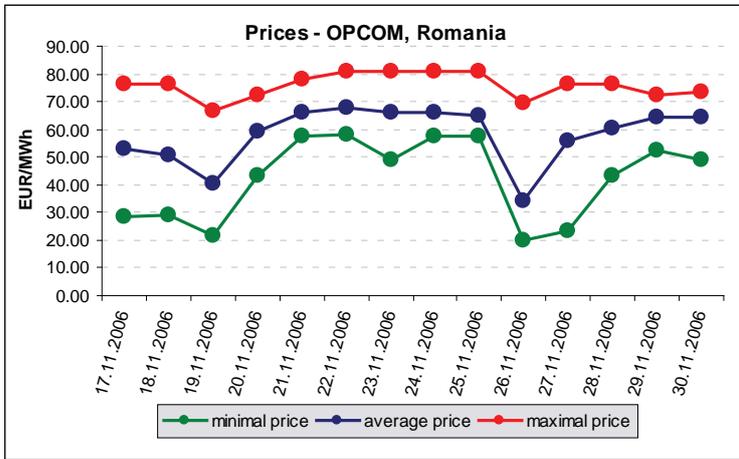
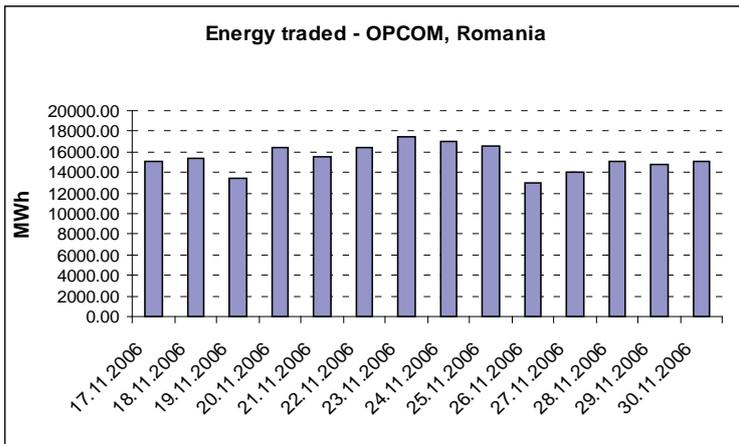
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Power exchanges data:

In the period from 17.11.2006 till 30.11.2006 no trades were performed on Borzen



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

In the period from 17.11.2006 till 30.11.2006:
 Montenegro maximum daily consumption: 14 GWh
 Montenegro maximal hourly consumption: 670 MWh

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	694.489	43.32
2	631.885	24.26
3	626.637	21.66
4	538.380	20.22
5	525.875	20.22
6	617.064	23.10
7	524.508	27.15
8	517.058	20.79
9	572.736	25.70
10	521.613	25.99
11	577.822	28.88
12	572.625	28.85
13	533.891	28.85
14	504.821	23.10
15	474.896	20.79
16	493.741	23.10
17	544.951	37.55
18	506.812	68.45
19	429.671	69.60
20	437.983	69.60
21	460.840	66.43
22	542.556	62.09
23	567.760	28.88
24	604.545	25.99
Total	16,862.98	

Opcom, Romania: Energy Traded on Sunday, November 26, 2006

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	718.793	57.76
2	792.542	57.76
3	811.875	52.27
4	832.865	57.76
5	787.938	57.76
6	720.463	58.05
7	659.119	58.05
8	617.426	66.43
9	568.899	69.62
10	575.56	69.62
11	606.871	67.87
12	616.899	67.87
13	640.027	67.87
14	621.699	67.87
15	598.781	67.87
16	629.496	67.87
17	523.775	69.62
18	438.282	72.49
19	395.899	72.49
20	409.073	72.49
21	448.819	72.49
22	538.976	67.87
23	577.068	67.87
24	638.488	66.43
Total	16,862.98	

Opcom, Romania: Energy Traded on Wednesday, November 29, 2006

Weather conditions

	1.12.	2.12.	3.12.	4.12.	5.12.
Albania Tirana	T: 6-18 W: NW 1-1.5 R: -	T: -8-19 W: SW 1-1.5 R: -	T: -7-18 W: S 1-1.5 R: -	T: -7-16 W: S 1-1.5 R: -	T: 5-16 W: S 1-1.5 R: -
Bosnia and Herzegovina Sarajevo	T: -4-10 W: S 1-1.5 R: -	T: -5-14 W: SW 1-1.5 R: -	T: -5-13 W: SW 1-3.3 R: -	T: -5-12 W: W 1-1.5 R: -	T: -3-13 W: S 1.5-3.3 R: -
Bulgaria Sofia	T: -4-8 W: - R: -	T: -4-13 W: - R: -	T: -4-15 W: - R: -	T: -3-13 W: NW 1-3.3 R: -	T: -5-13 W: NW 1-3.3 R: -
Croatia Zagreb	T: -2-6 W: N 1-1.5 R: -	T: -4-9 W: SW 1-3.3 R: -	T: -2-12 W: SW 3-5.4 R: -	T: -2-11 W: S 1-3.3 R: -	T: 1-13 W: SW-3-5.4 R: -
Greece Athens	T: 7-16 W: N 3.3-5.4 R: -	T: 7-16 W: N 3.3-5.4 R: -	T: 7-15 W: N 1.5-3.3 R: -	T: 7-15 W: SW 1-1.5 R: -	T: 7-16 W: W 1-3.3 R: -
Macedonia Skopje	T: -2-8 W: NE 1-1.5 R: -	T: 2-10 W: S 1-1.5 R: -	T: 2-10 W: E 1-1.5 R: -	T: 1-8 W: N 1.5-3.3 R: -	T: -2-7 W: NE 1-1.5 R: -
Montenegro Podgorica	T: 5-17 W: S 1-1.5 R: -	T: 3-19 W: S 1-1.5 R: -	T: 4-20 W: SE 1-1.5 R: -	T: 3-18 W: SE 1-1.5 R: -	T: 3-18 W: S 1-1.5 R: -
Romania Bucharest	T: 5-8 W: SW 3-5.4 R: -	T: 5-10 W: SW 1-3.3 R: -	T: 2-10 W: SW 1-3.3 R: -	T: 2-12 W: SW 3-5.4 R: -	T: 3-12 W: W 3.3-5.4 R: -
Serbia Belgrade	T: 1-8 W: E 1.5-3.3 R: -	T: 1-13 W: E 1.5-3.3 R: -	T: 2-13 W: SE 1-1.5 R: -	T: 2-11 W: W 1.5-3.3 R: -	T: 2-12 W: SE 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

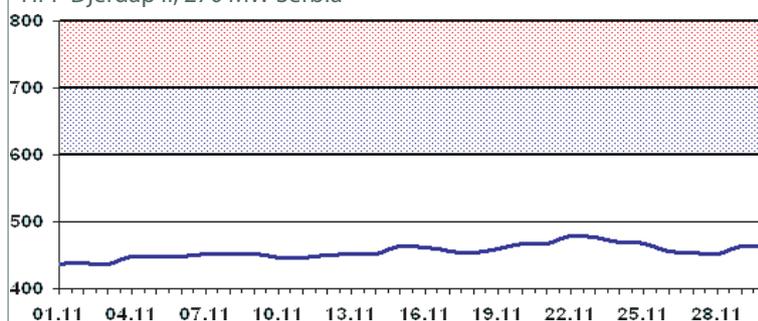
relevant for:

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:**Privatisation process of TPP Pljevlja**

Privatisation tender for TPP Pljevlja in Montenegro is finalized and the winner is Russian company "EN plus". Negotiations of Government with "En plus" are in final stage. All important moments in the process of privatisation of TPP Pljevlja are presented below chronologically.

Agency of Montenegro for Economic Restructuring and Foreign Investments announced on May 30, 2005 public invitation for participation in a public tender process for the sale of Thermal Power Plant Termoelektrana Pljevlja as assets of Elektroprivreda Crne Gore a.d. Nikšić and sale of 31.117 % shares in Coal Mine Rudnik uglja A.D., Pljevlja to sole purchaser. TPP Pljevlja is the only TPP in Montenegro and it was first time commenced in 1982. Plant was originally designed as two generators plant, each generator 210 MW, but only one generator block has been built. Offered stack of 31.117 % shares in Coal Mine represents the total amount of Republic Montenegro owned shares. Rest of shares of 66.8883 % is in possession of other private shareholders. Coal Mine Rudnik uglja has published that after announcement on May 30, 2005 about the public tender process, value of shares has increased for about 6,16% up to 1,70€ per share. For the time being, more than 200,000 € worth shares have been sold. CEZ has already revealed its interest for purchasing both companies, and on the other hand, representatives of Russian company Belon Group have made their first visit to the Coal Mine and to TPP Pljevlja as interested party. The complete (€20, 0000 worth) tender documentation is bought by CEZ and Russian companies Russal and Belon Group first. The visit to the TPP and the coal mine will be enabled to all participants in the tender and they will have access to the, so called, database room in period from June 15th to July 25th. Initial deadline for bids submission was announced to be August 1, 2005 at 17:00h (CET).

The tender documentation regarding the sale of the thermal power plant (TPP) Pljevlja and coal mine Pljevlja has been bought by seven interested companies, from which three are Russian companies: Salomon (subsidiary of RUSAL), BELON and RAO UES. The rest of potential buyers of only TPP in Montenegro, which covers 20 % of country's energy consumption, are Czech CEZ, Italian ENEL, Austrian VERBUND and Swiss UNIBALANCE. The list of potential buyers is expected to be extended. Estimated worth of the TPP's assets is 115 million of euros, while the nominal value of the coal mine shares (31 % will be sold) is about 6,7 million euros. The government of Montenegro expects additional investments of nearly 300 million euros from interested companies. The ambitious investment plan implies modernization of existing production unit and a construction of new 200 MW unit (it is binding term on the tender), the exploitation of new mine fields and the construction of new cement factory (the area is rich of crude materials for cement production). Due to underdeveloped electrical energy market and existing deficit in energy needs (35 % of energy imports) guaranteed annual price under which Power Utility of Montenegro will purchase all produced electrical energy in TPP will be determined according to the price of futures in Leipzig power exchange during the month November. Tender process is to be conducted by Austrian privatization investment advisor Raiffesen Investment.

In mid August 2005, Public tender for the sale of the thermal power plant (TPP) Pljevlja and 31 % of the Coal mine Pljevlja was prolonged until September 30th. The tender was announced on May 30th, and originally was supposed to last until August 1st.

Deadline was prolonged because participants on the tender wanted more time to investigate the potentials of both companies. The representatives of the Rusal's company Salomon have finished their visit to the Pljevlja Coal mine and the TPP, during which they have acquired all information regarding the both companies from Pljevlja. The representatives of Czech CEZ, Italian ENEL, and Russian Belon group have also made their official visit to the both companies. The representatives of Austrian Verbund, which has also bought the tender documentation, were also expected in Pljevlja. Estimates reserves of coal are 270 million tons. At the same time, the coal mine produces large amounts of sub products, like cement rock, raw material for cement production, and kaolin, raw material for porcelain production. According to the director of the Agency of Montenegro for Economic Restructuring and Foreign Investments, the sale of the TPP and the coal mine presented one the most significant privatizations in the Montenegro. Director said that state of Montenegro expected the strategic partner who would be able to offer the construction of the new generator unit, to invest in new coal production sites and to construct the cement factory. According to the tender proposal, offered price for the TPP brings 30 points, the highest price for the state shares in the coal mine brings 20 points, the worth of the investment program for the TPP and coal mine brings 10 points each, and the best business plan with social and environmental package will bring 30 points on the tender.

In late August 2005, tender documentation for the purchase of thermal power plant (TPP) Plevlja and 31 % of state capital in the Coal mine was bought by the ABS Holding, company from Belgrade. Chairman of the Boards of the directors of the Mine said that interest for this privatization was more than good, having in mind that seven companies have bought the tender documentation. Earlier, tender documentation was sold to Czech CEZ, Russian Belon Group, Italian ENEL, Russal subsidiary from Cyprus, Salomon Enterprise, Austrian Verbund and American company Prizma. He added that company would do its best for the success of the tender procedure. The tender was earlier prolonged until September 30th, and the officials from the Mine hope that Unibalans from Switzerland and Raus from Russia will take part in the tender. The representatives of the CEZ have visited for the third time the TPP and the Coal mine after tender announcement. Thermal power plant will be sold as a property of the Montenegro government. Majority owners of the Coal Mine are workers and other physical persons with 59,95 % of shares. Monte adria broker owns 5,37 % of the Mine, Bergal Invest Korp owns 3,65 %, Tehno plus owns 1,17 %, and rest of the shareholders owns less 1 %.

In October 2005, the tender for the sells of the TPP and Coal Mine Pljevlja was stopped. Reasons to repeat the procedure were the strong conditions issued by the bidders to the Montenegrin Government, although prices were acceptable. Very strong conditions were necessary to minimize the risk, and were including provisions such as increasing the price of electricity.

Out of seven companies that have purchased tender documentation, the Czech CEZ, Belon Group and En Group Ltd. have submitted the final offers. CEZ has offered 15 million euros in cash and 11 million euros in investments for the TPP and 3 million euros in cash and 32,56 million euros in investments for the Coal mine. CEZ also requested guarantees for possible purchase of 66 % stake in the Coalmine. En plus company, owned by Oleg Deripaska, owner of the Aluminum factory in Podgorica and Bauxite mine in Niksic, has offered 40 million euros in cash and 6.5 millions to be invested in TPP, and 10 million euros in cash and 14 million euros of investments for the Coal mine. Belong group was willing to pay 8 million euros in cash and 45 million in investments for the TPP, and 1 euro in cash and 42,9 million euros of future investments in Coal mine. According to the Montenegro officials, privatization of the TPP Pljevlja and Coalmine was too important for Montenegro and because of that, tender documentation had to be in perfect order. According to

the tender commission, one bidder did not submit complete business report, and other ones did not file the company's registration report. It was announced that there could be changes in a repeated tender procedure that should enable the participation of more potential buyers. The long-term investments programs (for period of 10 to 45 years) ranged from 100 million to 800 million euros.

General manager of Power utility of Montenegro (EPCG) said that representatives of Holding of Slovenia's Power Plants (HSE) were interested for the electrical energy trade and joint investments in energy projects in Montenegro. Representatives of HSE have also shown the interest for the participation on the tender for the sale of the thermal power plant (TPP) Pljevlja and Coalmine Pljevlja. General manager announced that HSE would organize training courses in Slovenia for the EPCG employees regarding the HSE's experiences in electrical energy trade in Western European markets. Special joint teams between EPCG and HSE have been set up in order to update the documentation for the potential projects of interest for HSE.

Montenegro's Agency for restructuring of industry and foreign investments has published the second tender for the privatization of thermal power plant (TPP) Pljevlja and 31% of the state owned shares in Coal Mine Pljevlja. Financial advisor in this tender procedure was Raiffeisen Investment AG, Agency decided. First tender was not successful due to formal errors in the tender offers submitted by the CEZ, En Plus and Belon. Tender commission has verified the rating system, which has decreased the number of points for the Coal Mine shares and it has increased the points for the investment program for the TPP. Interested companies could submit the tender offers only if they met following conditions:

1. The bidders should have managed the TPP's for three years at least, they electrical energy production in 2004th should be over 2,000 GWh and interested companies will need to have income of over 100 million euros in the same year.
2. In addition, bidders should have the experience in the Coal Mine management for three years at least, they should have produced over three million tons of coal, while the overall income should be over 70 million euros in this line of business in the same period.
3. Alternative condition is that the bidder has achieved the overall income of over 400 million euros in 2004th.

When tender procedure for the sale of the thermal power plant (TPP) Pljevlja and 31 % of the state-owned shares in the Coal mine Pljevlja was reinitiated, the representatives of the CEZ, Holdings of the Slovenian power plants (HSE) and US company Contour Global have made visits to those companies. The visitors have been at the data room, on the surface coal mines in order to get acquainted with the potentials and resources of both companies. Austrian Verbund, En plus group, Belon, PPC from Greece, also bought tender documentation. Russian EN plus group, the offshore company of Rusal in December 2004 became the owner of Aluminum factory in Podgorica (KAP).

Six companies have been qualified for the second phase of the privatization of thermal power plant Pljevlja and coalmine Pljevlja. Tender commission has selected Belon, En Plus Group, CEZ, HSE, Verbund and consortium of PPC and Contour Global to be final bidders. Eight companies have submitted required documentation and the tender deadline was prolonged to June 1st 2005. The announcement of the postponing the tender came shortly after officials said that tender would be prolonged until April 27th. The latest extension of the tender deadline to June 1st was explained by the request of the several participants in the tender procedure. The extensions of the tender deadline were also explained by political reasons, i.e. by incoming referendum regarding legal and political

status of Montenegro scheduled for May 21st. Future owner of TPP and coalmine is expected to solve all environmental problems in accordance to EU standards until 2012th and to build new generation unit (200 MW) close to the existing unit. Several companies have demanded third extension of the tender deadline.

After the tender closure bids were following. EN plus, the majority owner of Rusal, which owns the largest industrial customer in the country (200 MW), the Aluminum factory (KAP) in Podgorica, has offered 45 million euros in cash (the highest offer) and 195 million euros of investments for TPP and 5 million euros in cash and 78 million euros investments for the coalmine.

HSE has offered 16 million euros in cash and 572 million euros of investments (highest investment bid), and 4.6 million euros and 42.9 million euros of investments for coalmines.

The third bidder, Russian Belon group has offered 11 million euros and 210 million euros of investments for TPP, and 1 million euros and 120 million euros of investments for coalmine.

The cash offers for TPP Pljevlja bring overall number of 30 tender points; the offers for state-owned shares in coalmine brings 5 points, the investments bid, including construction of central heating system in city of Pljevlja and construction of second generator in TPP, bring 30 points. The offers for coalmine bring overall number of 10 tender points, and investment program will bring 25 points.

Czech CEZ, Austrian Verbund and Greek-USA consortium PPC- Contour Global have also qualified in the final stage of the tender, but they did not submit final bids. Officials in Montenegro have been particularly surprised that CEZ did not submit offer, having in mind that CEZ has submitted offer in the previous tender procedure, with 18 million euros in cash and 43.8 million euros of investments. CEZ officials explained in the letter sent just before the tender deadline, that they believed their previous offer was the highest offer CEZ was willing to pay for TPP and coalmine. According to CEZ, tender was transparent, but Czech company believes that investment of several hundreds million euros could not be profitable for them in the reasonable period.

EN plus has offered in the bid option for TPP to supply KAP with electrical energy. Annual power consumption of KAP is about 2,000 GWh, which is twice higher than annual average production of TPP Pljevlja.

According to tender requirements, future owner of TPP and coalmine, will be obliged to produce and sold 1,000 GWh of electrical energy in period until 2012th, and 2,000 GWh after potential construction of second units in TPP (in 2011 or 20012th) to Power utility of Montenegro (EPCG) at the price related to the price of electricity in Leipzig power exchange. It implies that TPP will deliver one annual power production to EPCG in the next 5 to 6 years.

EPCG expect that purchase price, related to the Leipzig prices that are combination of prices from hydro, thermal, nuclear facilities, would be favorable, and 20 % lower than price produced in TPP Pljevlja.

Sources say that no one of three bidders offered possible construction of cement factory, but all three bidders are willing to build new generation unit in the TPP.

Certain non-governmental organizations have accused the government on favoring the EN plus, claiming that Russians have stipulated the takeover of KAP by later takeover of TPP and coalmine Pljevlja. Government has strongly denied such accusations.

In June 2006 Privatization council has decided to invite first ranked bidder, the Russian EN plus Group, to start final negotiations for signing the privatization contract for sale of 100 % of shares in thermal power plant (TPP) Pljevlja and 31.11 % shares in coalmine Pljevlja. Tender list was made by Tender commission in mid June, according to tender ranking, Russian EN plus Group was on the head of the list with 66.08 points, Holding of Slovenia's power plants (HSE) was on the second place with 57.16 points, while third ranked was the Russian Belon group with 39.26 tender points.

Investment offshore fund, En plus, registered on British island of Jersey, and Salomon Enterprise, which bought Aluminum factory in Podgorica and Bauxite factory in December last year, are the members of Basic element, owned by Oleg Deripaska. By this potential acquisition, Russian businessman would become an owner of companies that made 40 % of GDP in Montenegro. Basic element is the third largest producer of aluminum in the world and owns 15 power plants. Company has announced construction of 1 billion euros worth hydro power plant in Russia, Montenegro press reported.

According to the director of Raiffeisen bank in Montenegro, which was privatization advisor in the tender procedure, Russians have offered construction of second unit with 225 MW power output in the next five years, i.e. in 2011th, where worth of the unit would be 170.9 million euros. On the other hand, HSE has offered to build 340 MW unit 330 millions euros worth, where unit should have been operational in 2013th.

The majority of investments offered by EN Plus should be made in the period of 4th until 7th year of ownership, which was, beside cash offer for the TPP, the thing that decided winner of the tender.

However, EN plus has offered considerable reduction in guaranteed purchase of electrical energy until 2009th and it has proposed an option for EPCG reduce guaranteed amount of purchase or to even cancel this condition. From 2010th, EN plus did not demand guaranteed purchase of electricity from TPP.

Earlier, Russians have announced that they would deliver electrical energy to Aluminum factory, which spends some 2 TWh per year, or two times the current annual production of existing 200 MW unit in TPP Pljevlja. New owner will have to obey collective employees' agreement and to improve environmental standards in the TPP until 2012 at the latest.

Executive director of Power utility of Montenegro (EPCG) said that 45 million euros for TPP Pljevlja was good offer, and that money would be spend for revitalization of existing power plants and increase of power production in the country. He announced construction of unit 8 in hydro power plant Perucica (300 MW).

Negotiations of government with Russian company EN plus regarding the sale of thermal power plant (TPP) and coalmine Pljevlja are in final phase. Government has earlier accepted request of Russians regarding continuation of project for dislocation of river Cehotina and payment of operational expenses of the TPP by the end of this year. Redirection of river Cehotina will enable enlargement of coalmines, by which 55 million tons of coal will be provided. This amount of coal should be sufficient for 25 to 30 year of operation of 200 MW unit in TPP.

Government of Montenegro should initiate privatization process in some of the branches of Power utility of Montenegro (EPCG) in the next year. According to the Strategy of privatization of EPCG, only certain parts of the national power company could be privatized or given in concession to leaseholder or strategic investors for limited period. Government's officials believe that privatization of EPCG must be preceded by the adoption of Energy develop-

ment strategy, completion of Strategy of privatization of EPCG, with broad public discussion included. Minister of economy confirmed that Energy strategy until 2025th should be presented to the public in September this year. The highest priority of energy sector will be development of small hydro power plants (HPPs), as well as lease or sale of existing five small HPPs. In the same time, government will start restructuring and functional separation in EPCG, which would be first step toward privatization of certain parts of national power company, minister said. Functional separation implies separation of bank accounts, separation of operational activities and IT services, of new functional divisions, i.e. functional divisions of Production, Transmission, Distribution and Supply. According to Montenegro press, privatization strategy predicted several options, and among them, the sale of large power plants, which should be decided by the government. In addition, government will consider option for lease of distribution and transmission network of EPCG for period of 20 to 30 years. The Strategy for privatization of EPCG should be finished by the end of the year. According to new plans, EPCG should reduce the staff from current number of 3,450 to 3,270 of employees.

News:

Slovenian Petrol announced investment in Southeastern Europe (Region)

Chairman of the management board of Slovenian oil company Petrol confirmed that they were considering an option to participate in the tender for privatization of Oil industry of Serbia (NIS) with foreign partner. Petrol should reach the final decision on this issue after the tender for sale of NIS was officially launched.

Head of Petrol has recently announced that joint venture of Petrol and Russian Lukoil would be established in the next year, where new company would be involved in oil business in Southeastern Europe. Petrol also has plans to get involved in electrical energy sector. In this moment, Petrol has been trying to acquire the concessions for construction of power plants in Bosnia and Herzegovina.

Petrol has recently signed cooperation contract with state-owned oil company in Montenegro, the Montenegrobouns. Two companies will be involved in oil distribution business, construction of small hydropower plants, storage and sale of liquefied petroleum gas and construction of oil refineries in Montenegro.

§ § §

Five companies to deliver electricity in 2007th (Albania)

Albanian power corporation (KESH) has decided that five different companies will deliver electricity to Albania in 2007th. The companies EGL, EFT, Atel and Wonder Power Sh.a. and GSA from Albania would deliver 2.206 TWh of electricity to KESH.

Overall number of seven companies, two from Albania, three from Switzerland, and one from Germany and Czech Republic have submitted bids in the tender, KESH said. According to earlier announcements, the average price offered in the tender was 80 euros per MWh, while KESH was willing to pay 162.8 million euros or 74 euros per MWh.

§ § §

Parliament approved AMBO agreement (Albania)

Parliament of Albania has adopted resolution for construction of AMBO oil pipeline, by which this project was marked as one of the most important projects for Albania.

Oil pipeline will connect Black sea port Bourgas and Adriatic port Vlora, where annual transport capacity of the pipeline will be 35 million tons of oil per year. The worth of the project is estimated at 1.2 to 1.5 billion euros. The works should start in 2007th and it should be finished in 2009th.

§ § §

Gazprom interested for investments (Albania)

Gazprom has been considering an option to enter natural gas market in Albania, deputy CEO of the company said during the fourth International Forum "Russian Gas 2006".

Gazprom considers Albania not only as a new potential market but also as a transit country for transport of natural gas to Italy.

§ § §

Agreement on natural gas supply until the end of January next year (Bosnia and Herzegovina)

Energoinvest, the company in charge for import of natural gas in Bosnia and Herzegovina (BiH), confirmed that it reached an agreement with Russian Gazexport regarding the delivery of natural gas until the end of January next year.

The problems in natural gas supply are related to debts made by BiH during the war in 1990s. BiH refused the latest proposal of Gazexport to pay the debts thorough increase in retail natural gas prices. It is expected that Energoinvest and Gazexport would continue negotiations related to paying of debts in December this year.

§ § §

Republic of Srpska plans to build gas pipeline toward Serbia (Bosnia and Herzegovina)

The highest officials of Republic of Srpska (RS) and Serbia have recently discussed and option for construction of natural gas pipeline between cities of Prnjavor (Serbia) and Bosanski Novi (RS).

The economical justification of the pipeline would be highly dependent on Russian plans for expansion of Blue Stream pipeline, recently announced by Serbian media.

The local company Slavija International should be in charge for construction of potential pipeline on RS's side. The pipeline should have 456 km with extensions to mayor cities in RS. The Slavija International and government of RS would sign concession contract for construction of the pipeline. The concession period should be 30 years.

The worth of the project is estimated at 130 million euros. The new gas pipeline would use storage facility for natural gas in Banatski Dvor in Serbia (1.2 billion cubic meters of capacity).

According to plans, the construction of the interconnection pipeline would be followed by construction of distribution gas networks. En-

tire project would considerably reduce costs for companies in RS, which mostly use expensive fuel oil, and it would initiate construction of new heating plants in several cities.

§ § §

Increase in electricity prices in the beginning of 2007th (Bosnia and Herzegovina)

Minister of energy, industry and mining in Federation of Bosnia and Herzegovina (BiH) believes that price of electrical energy will be increased in the beginning of the next year.

According to unofficial announcements, two power utilities in Federation, the Power utility of BiH (EP BiH) and Power utility of Herzeg Bosnia (EP HZHB), will submit the requests for 25 % increase in electricity prices in spring next year.

EP HZHB has the greatest losses, having in mind that company imports electricity, mostly for the largest industrial customers, the Aluminum factory in Mostar. EP HZHB has already increased electricity prices for the factory by 30 % in spring this year. Management of the factory, which is the largest exporting company in BiH, warned on negative influence to business results after this decision, having in mind that price of electricity comprises 30 % of overall costs in aluminum production.

Industrial customers in BiH are not entitled to privileged electricity prices, as it was the case in the most of the countries. In fact, industrial customers pay higher electricity prices comparing to households customers.

§ § §

Hrvoje Pozar institute to prepare study on development of energy sector (Bosnia and Herzegovina)

After the tender procedure, Energy institute Hrvoje Pozar from Zagreb, on one side, and public company Power utility of Bosnia and Herzegovina (EP BiH), Power utility of Herzeg Bosnia (EP BiH) and Power utility of Republic of Srpska (RS), on other side, have signed the contract for the Energy sector study in BiH.

The worth of the contract is 700,000 euros and it will be financed by the loan of World Bank (WB). The aim of the study is to present development of entire energy sector in BiH, including the analysis of production and consumption of particular energy sources, restructuring of energy systems and analysis of renewable energy sources.

The study should be finished by the end of 2007th. Apart from Hrvoje Pozar institute, which will be leader of consortium, the study would be prepared by Soluziona from Spain, Geological faculty from Tuzla and Economy institute from Banja Luka.

The study is the part of the 230 million euros worth project in BiH, called Electric Power Reconstruction 3, financed by WB. The aim of the project is to rebuild and restructure energy sector in the country.

§ § §

No changes in electricity prices until the mid 2007th (Bulgaria)

Head of State Energy and Water Regulatory Commission (SEWRK) announced that electricity prices in Bulgaria would remain unchanged until the mid 2007th, at least.

This was said as a comment to a recent announcement of price increase due to closure of two units in nuclear power plant (NPP) Kozloduy.

Head of NPP confirmed that all units would be in operation by the end of the year, and that NPP was prepared for winter season. According to plans, in the last two months of this year and the first three years of 2007th, NPP Kozloduy should produce 50 % of planned annual output, or some 7.7 TWh.

In the first 10 months of this year, NPP has produced 15.8 TWh of electricity energy, while sales incomes were 5 % higher than planned. The budget surplus of the NPP in the same period reached 77 million euros.

Unit 6 in NPP was temporarily out of service in November due to repair works. Unit 3 and 4 should be shut down by the end of the year, while two remaining units 5 and 6 should operate at full capacity in the first quarter of 2007th.

§ § §

Turkey willing to restart power supply contract (Bulgaria)

Bulgarian media quoted Turkish media that brought the news regarding the readiness of Turkish national transmission system operator to import electricity from Bulgaria. Sources suggested that price of electricity could be 57 euros per MWh.

Turkey has stopped electricity import from Bulgaria in 2003rd, when Turkey accused Bulgaria on not allowing Turkish companies to be involved in large infrastructural projects in Bulgaria, as it was agreed.

It is expected that Turkey would become member of UCTE in 2007th, which would create larger possibilities for cooperation between two power companies. Bulgaria's National transmission system operator (NEK) recently confirmed negotiations on electricity import to Turkey, pointing out that closure of two nuclear units would affect the potential electricity import.

§ § §

HSE placed the highest bid for CHP Rousse (Bulgaria)

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. HSE offered 85.1 million euros for the CHP. German E.ON (29.1 million euros) and French Dalkia International (51 million euros) also submitted the bids.

Bulgarian media reported that HSE has offered too high price for the plant, while only several experts believe that investment could be reasonable having in mind favorable location of the CHP.

If it wins in the tender, HSE will increase output by 400 MW of electrical energy and another 200 MW of heat energy.

§ § §

SEWRC fined EVN, protests against E.ON (Bulgaria)

Two private power distributors, the Austrian EVN and German E.ON have faced the problems in the second half of November.

The State Energy and Water Regulatory Commission (SEWRC) decided to fine EVN for several abuses found during the inquiry. EVN owns power distribution companies in Stara Zagora and Plovdiv.

SEWRC ordered EVN to pay 7,250 euros for misconducts in Stara Zagora and another 3,200 euros for misconducts in Plovdiv. According to SEWRC, EVN has made mistakes in power bill calculation and made changes in electricity tariffs without prior notice.

EVN's company in Stara Zagora was also obliged to pay another 3,200 euros for errors in power bills in August this year.

EVN did not include 75 KWh of discount tariff during the power bill calculation, which led to 7,500 overcharged bills.

EVN officials have earlier blamed software problems for errors in power bills. The company promised to compensate overcharged customers and in the same time announced that reading of electricity meters would be reduced to once or twice per year.

SEWRC also warned EVN on lack of information in power bills as well on lack of company's front offices in the country.

SEWRC also announced that E.ON could also be fined due to power cuts and extremely low voltage in sea center in Varna. E.ON could pay the highest possible fine of 10,500 euros, official from SEWRC said.

The voltage problems in Varna caused mass protest by local citizens who broke in company's buildings asking for explanation for the latest situation. Management of E.ON strongly condemned the violence and breaking in company's offices during the protests.

SEWRC confirmed that in 14 districts voltage varied between 134 V and 171 V, instead of standard 220 V. Local officials even asked for possible canceling the privatization contract if the problems persisted.

SEWRC also announced launching the investigation against another private distributor, the CEZ, due to customers' complaints.

§ § §

Signing the contract with AtomStroyExport for construction of NPP Belene (Bulgaria)

On November 29th, Bulgaria's National transmission system operator (NEK) and consortium led by Russian AtomStroyExport (49.8 % owned by Gazprom) have signed 3.9 billion euros worth contract for construction of nuclear power plant (NPP) Belene. Bulgarian energy minister and ambassador of France attended the signing ceremony.

New NPP, located near Danube town Belene, will have two 1,000 MW VVER 466 type reactors. According to contract, the first unit will be put in service in 6.5 years, while the second one should be in service in 7.5 years. New units will have operational life of 60 years and it will be in accordance to the requirements of the International Atomic Energy Agency.

AtomStroyExport is obliged to entrust 30 % of the project to local companies involved in construction, assembly, equipment supply and transportation.

Head of AtomStroyExport confirmed that Ukrainian and Czech companies would participate in the project also. He promised that NPP Belene would be one of the most sophisticated power plants in whole Europe. One of the AtomStroyExport's main partners in the project will be AREVA and Siemens.

The providing funds for the project should be completed until mid-2007th, head of NEK said. Bulgarian government intends to hold 51 % of shares in new power plant and it already initiated talks with

potential investors, such as Enel, CEZ, RAO EES, E.ON, EDF, Tractabel and Iberdrola.

As a reminder, tender bids were opened on February 1st, and on October 30th, board of directors of NEK announced AtomStroyExport to be winner in the tender. The second ranked bidder in the tender procedure, the Czech Skoda Alliance did not object the decision.

In this moment, Russian company is involved in construction of five nuclear reactors with overall power output of 3,000 MW in China, India and Iran, which makes about 20 % of global market of NPP construction.

European commission has supported the project by granting the initial approval for 300 million euros loan from Euroatom to the project. This was confirmed by EU Energy commissioner during the meeting of Council of Energy Ministers of the Energy Community of Southeast Europe in Skopje.

§ § §

445 million euros to be invested in natural gas projects (Croatia)

During the session of the government, Minister of industry of Croatia has announced that 445 million euros would be invested in the second phase of the gasification of Croatia, in period from 2007th-2011th.

The first phase of the large-scale natural gas projects ended by putting in operation gas pipeline Pula –Karlovac on November 23rd. By this pipeline, natural gas produced in Northern Adriatic would be directly transported to the mainland.

In the second phase, the largest project would be a construction of natural gas pipeline Bosiljevo-Split-Ploce, for which some 250 million euros should be invested. Croatia plans to build new pipelines toward neighbors, Hungary, Bosnia and Herzegovina and Serbia. It is estimated that some 152.4 million euros would be invested in these projects, while 41.5 million euros should be invested in natural gas distribution networks.

§ § §

Announcement of construction of new wind farm (Croatia)

New wind farm near Jesenice and Krusevo should be built by the end of 2008th, Croatian newspaper said. The wind farm should have 40 turbines with overall power output of 59 MW.

The construction would be carried out in five phases, where works should start in the beginning of 2008th. This was agreed in the contract signed by local company Zensur Zrmanja and Austrian company CE Energy Holding AG. The worth of the project is 53 million euros.

§ § §

New unit in CHP Zagreb in 2008th (Croatia)

New unit in combined heat power plant (CHP) Zagreb should be built in 2008th. The natural gas fired unit will have 110 MW of power output and 80 MW of heat output, while cost of the unit should be 70 million euros.

Croatian power utility (HEP) plans to put the unit in operation in 2008th and it considers it very important having in mind expansion of Croatian capital city. The project should be financed partly by HEP's incomes and partly by loans.

§ § §

HEP plans to invest 3.25 billion euros in the next seven years (Croatia)

Croatian power utility (HEP) should invest 3.25 billion euros in the next seven years. The announcement came after HEP issued 68 million euros worth bonds.

The high investments are mostly related to construction of new power plants, for which some 1.22 billion euros should be invested by the 2013th. In the same period, HEP should invest 900 million euros in the power distribution network.

The investment in heat network will reach 23.5 million euros in this year, 16.5 million euros in 2007th, 16 million euros in 2008th and 2009th, and after that, 9.3 million euros will be invested in heat network every year.

Concerning the natural gas business, only in 2009th, HEP should invest 16.5 million euros, while investment in other years will be considerably lower.

The investments would be mostly financed by loans or by issuing securities.

§ § §

Citizens to pay 230 euros for INA's shares (Croatia)

Government of Croatia has decided that Croatian citizens would pay 230 euros per share of Croatian oil industry (INA). It implies that citizens would be entitled to buy maximum of 22 shares, having in mind purchase limit of 5,200 euros (for privileged citizens) set by the government before the start of subscription.

Croatian citizens were granted a preemption right and other privileges during the subscription procedure. According to the subscription results, citizens would buy 54 % of shares offered by the government during the public offering. All citizens who buy shares under privileged terms and who do not sell them in year period, would be granted one share per each ten shares bought.

The rest of the remaining shares would be divided among Croatian institutional investors and Croatian citizens who purchased shares without privileges, in ratio 65 % : 35 % respectively. Overall number of citizens that will buy INA's shares under privileged terms will be 44,460, who will pay overall amount of 211 million euros.

During this initial public offering (IPO), government offered 15 to 17 % of INA's shares, where Croatian citizens and investors would buy 70 % of overall number. Overall worth of share subscription reached more than 3 billion euros, and government should earn some 380 million euros after end of public offering.

§ § §

Decrease in profit for PPC (Greece)

Public power corporation (PPC) has reported 3.58 billion euros of incomes during the first nine months in this year, which was 10 % higher than in last year (3.24 billion euros). In the same period, financial expenses decreased by 9.6 % from 99.3 million euros last year down to 89.8 million euros this year.

Nevertheless, net incomes decreased by 53.4 % from 154.8 million euros down to 72.2 million euros. The main reason for profit reduction, initially forecasted at 104.7 million euros, was related to external influences, i.e. to the increase in fuel costs and purchase of energy. Capital expenditures reached 493 million euros comparing to 534.4 million euros last year.

Energy sales incomes rose by 10.4 %, from 3 billion euros up to 3.32 billion euros due to increase in sales of 6 % and tariffs' adjustment of 3.2 % in September this year. PPC's operational expenses increased by 17.4%, from 2.508 billion euros up to 2.934 billion euros

§ § §

Hellenic Petroleum found the natural gas in Libya (Greece)

Hellenic Petroleum (HP) has informed the public on the newly discovered natural gas field in Libya. In this project, HP participates as a member of joint venture with Woodside Energy (45%) and Repsol (35%), where HP holds the rest of 20 % of shares in the venture.

The natural gas field, with total depth of 808 meters, is located 1,000 km south of Tripoli, and it is operated by Woodside Energy together with National Oil Corporation of Libiya.

§ § §

Tender for TPP Aliveri prolonged (Greece)

The deadline for the submission bids in the tender for construction of thermal power plant (TPP) Aliveri was prolonged from November 21st to December 1st. The tender for construction natural gas fired TPP, with power output between 370 to 420 MW, was launched by Public power corporation (PPC). The worth of the construction is estimated at 235 million euros.

It is expected that bids will be submitted by Terna-Siemens, Metka-Alstom, Ansaldo-Prometheus and Iberdrola-Iberinco-General Electric-J&P Avax.

In the related news, CEO of PPC called for government seriously to consider changing regulated electricity tariffs, which do not cover actual fuel costs. He also believes that rise in marginal prices and lack of payment for public service obligation will negatively influence PPC's business performance.

Due to such situation, CEO offered its resignation to both finance and development ministers.

§ § §

PPC and Rokas could jointly build new wind farm (Greece)

Public power corporation (PPPC) has been considering option for construction of the largest wind farm in the country through the joint venture with Rokas company. The wind farm would be built on Greek islands Chios, Limnos and Lesbos and it could have power

output of 1,635 MW. The wind farm should be connected to main power grid.

Rokas planned to acquire license for construction alone by submitting the request for operational license for wind farm. In the same, PPC is interested for at least 30 % share in the project. The worth of the project is estimated at 2.5 billion euros, including the construction of wind farm and submarine power cables. The construction works should last at least three years.

Rokas has earlier announced that price of electricity produced in new wind farm would be very close to the tariffs for the wind farms in main grid, i.e. 73 euros per MWh, instead of tariffs for the wind farms in the islands of 120 euros per MWh. Rokas confirmed that funds for the project were already provided, having in mind that government would finance 30 % of the project (through subsidies) or 720 million euros, another 30 % will be financed by Rokas itself and 40 % (960 million euros) should be acquired through loans.

§ § §

Possible problems in power supply due to reduction in Bulgaria's electricity export (Greece)

Bulgaria's officials have informed Greek side on reduction of electricity export, due to shutdown of two units in nuclear power plant (NPP) Kozloduy, from 400 MW in this moment down to 100 MW starting from January next year. After this, Greece could face problems in power supply especially during the summer peak.

Import of 400 MW is considered as minimum to ensure stability of power system and it was secured by the long-term contract. Greece has been importing even 1,000 MW in certain periods, and annual import from Bulgaria reached some 3 TWh, out of 8 TWh of overall Bulgaria's annual electricity import.

Greece's officials consider this as an important problem, especially after fault in transmission network in Serbian power grid happened on July 22nd this year. In that moment, interconnection line between Bulgaria and Greece also tripped, after which, the most parts of Attica and Thessalonica suffered blackout.

On the other hand, head of Regulatory Authority for Energy (RAE) believes that problems could be overcome next summer, after putting in operation 300 MW power plant owned by large industrial customer Aluminum of Greece, who happened to be large electricity importer.

Greece has been also considering possible electricity import from Italy, in which case price of imported electricity would be higher even three times comparing to Bulgaria's prices.

§ § §

New law on production of electricity from renewable energy sources (Greece)

By adopting the new law on production of electricity from renewable energy sources (RES), government of Greece wanted to ensure development of RES as one of the main priorities of energy sector.

New law is named 3468/2006 or Generation of electricity from RES and high efficiency cogeneration of electricity and heat. The law is in accordance to Directive 2001/77/EC of the European Parliament and Council of September 27, 2001, on the promotion of electricity produced from renewable energy sources in the internal electricity market (O.G. L283/27.10.2001).

Law prescribes that license for production of electricity from RES and high-efficiency cogeneration of electricity and heat will be granted by ministry of development after official opinion made by Regulatory Authority for Energy (RAE). The licenses should be issued for period up to 25 years, with an option for extension up to same period.

Production license will not be necessary for geothermal power stations under 0.5 MW, for biomass or biofuels power plants under 0.1 MW, for solar power plants under 0.15MWpeak, for wind farms under 20 kW power output (in isolated power grids), or 40 kW (on islands that are not connected to mainland power grid) and for wind farms under 50 kW located in the main power grid.

The installation permit will be issued by the Secretary General of the area where the power plant will be installed. The permit will be valid for two years and it could be extended up to two years more in case if future investor has invested 50 % of the overall investment in two-year period. The permit could be also extended in case if works have not been started due to reasons that cannot be related to the holder of the permit.

Operational permit will be granted for at least 20 years, with an option for 20-year extension. The operational license will not be necessary for aforementioned power plants, which are not obliged to acquire production license.

New RES based power plants will be connected to power grid by signing the electricity sale contract with transmission system operator. The sale contract will be valid for ten years and it could be extended for another ten years unilaterally by the power producer.

The law has also determined price of electricity produced in future RES based power plans. The prices are listed below.

Generation electricity form	Price of energy (Euro/MWh)	
	Interconnected system	interconnected islands
wind energy	73	84.6
wind energy from offshore wind farms		90
hydropower plants up to 15 MW	73	84.6
Solar power plants utilized in photovoltaic units up to 100 kWpeak	450	500
Solar power plants utilized in photovoltaic units above 100 kWpeak	400	450
Solar power plants employing the technology other than photovoltaic units above 5 MW	250	270
geothermal, biomass, gasses released from sanitary landfills, miscellaneous RES and high efficiency cogeneration of electricity and heat	73	84.6

§ § §

Hellenic Petroleum to take 680 million euros of syndicated loan (Greece)

Hellenic Petroleum (HP) announced it decided to acquire 680 million euros of syndicated loan, where the loan will be financed by three Greek and four foreign banks. The loan will be used for refinancing the existing debt of the company.

The loan should be financed by Alpha Bank, Bank of America Securities, BNP Paribas, Calyon, EFG Telesis Finance, HSBC and National Bank.

The loan, with five-year maturity and one year extension option, will be used for optimizing the funding, foreign exchange and interest risk management activities, HP officials said.

§ § §

MEPSO to import only 15 % of required amount of electricity in December (Macedonia)

Macedonia's transmission system operator (MEPSO) has decided to import 30 MWh/h or 22.32 GWh of electricity at price of 67 euros per MWh from Greek company ETC Hellas in December this year.

ETC Hellas offered the lowest price in the tender. MEPSO launched tender for import of 151 GWh in December this year, where participating companies offered only 52 GWh.

Government of Macedonia decided that rest of the required amount for the December would be produced by reserve capacity of MEPSO, the fuel oil fired thermal power plant (TPP) Negotino. The government has provided the funds for the necessary fuel oil.

In the related news, vice prime minister of Macedonia confirmed the preparations for new tender for sale of TPP Negotino were in final phase.

§ § §

Twelve offers for construction of HPP Cebren and Galiste (Macedonia)

Ministry of economy confirmed that 12 companies have submitted offers for construction of hydro power plants (HPPs) Cebren and Galiste. Among others, offers were submitted by HSE (Slovenia), RWE (Germany) and EVN (Austria). Officials from ministry did not want to reveal the names of other companies.

The worth of construction of two HPPs is estimated at 600 million euros, where overall power output of HPP Cebren (pumping-storage type) and HPP Galiste should be 600 MW.

With these two new power plants, Macedonia could become electricity exporter, Macedonia's officials believe. Experts also believe, that Macedonia would need to build at least 400 MW power plant in order to substitute electricity import.

§ § §

MEPSO and ELEM demanded from qualified customers to import electricity by themselves (Macedonia)

Directors of state-owned power companies, the MEPSO (Transmission system operator) and ELEM (Macedonian power plants), have

jointly demanded from government to change the energy law and to force large industrial customers to import electricity on a free market by themselves.

Head of MEPSO explained that Macedonia produces 74 % of country's electrical energy needs, while almost entire electricity import (26 %) is related to the electricity imported for large industrial customers. Officials from ELEM also called for liberalization of electricity sector, where large companies will be obliged to import electricity by themselves through tender procedures.

MEPSO and ELEM believe that their proposal would be solution for energy crises in this moment.

The energy crisis in Balkans has already affected large companies in Macedonia. Silmak was forced to stop the production process due to lack of electricity, Feni company operates only one blast-furnace, while other large customers could also be faced with power cuts. Experts believe that reduction in power supply for most important companies in the country would have negative effect to entire economy in the country.

MEPSO managed to buy only 15 % of requested amount of electricity for December due to high prices and lack of offered quantities.

Ministry of finance, which will officially inform large customers on the latest intentions, supported the latest proposal of MEPSO and ELEM.

On the other hand, representatives of large companies pointed out problems related to the latest announcement. Company Silmak believes that price of imported electricity is too high in this moment, so that option for electricity import could be only discussed in long-term. Officials from Skopski leguri reminded on the agreement by which MEPSO is obliged to provide electricity for the company until the April next year.

Representatives from Feni industry also said that company and MEPSO have signed five-year supply contract and pointed out that Feni has been paying its obligations toward MEPSO regularly.

§ § §

616 million euros for import of energy sources in 2006th (Macedonia)

Governor of Central bank of Macedonia confirmed that funds paid for import of electrical energy in this year would negatively influence state budget, foreign exchange reserves, and indebtedness and inflation rate. According to estimations, Macedonia has been paying some 616 million euros for import of energy supplies or some 20 % of overall Macedonia's import.

This was said during the workshop of energy consumption and its influence to the monetary system of the country. Experts concluded that Macedonia needed to adopt national energy strategy that would initiate development of energy sector.

Officials from Ministry of economy said that average price of electricity in Macedonia was 4.8 eurocents per kWh, which was amongst the lowest prices in the region. They believe that price of electricity should not be some kind of social welfare and called for almost 100 % increase in electricity price, i.e. up to 7.4 to 8 eurocents per kWh.

Head of national power producer, the ELEM, called for investing in existing production capacities, instead of selling them. He also reminded that ELEM has not received any payments for the electricity produced since June this year. Head of ELEM believes that three

state-owned power companies, the ELEM, MEPSO (Transmission system operator) and thermal power plant Negotino, due to problems occurred after restructuring of former Power utility of Macedonia (ESM), should think on new close connections by establishing the holdings company.

Head of MEPSO estimated that Macedonia's electricity import could increase from current level of 2,300 GWh up to 4,300 GWh in the nearest future, for which some 200 million euros should be paid.

In the same time, head of Austrian EVN, the owner of ESM-Distribution, believes Macedonia needs some 2 billion euros of investments in order to create sustainable electrical energy sector. He pointed out that, since the start of winter season, power consumption in the country increased several times, which clearly showed that electricity in Macedonia has been used in large-scale for heating, which should not be the case.

§ § §

MEPSO to import only 50 % of required amount in January-April 2007th (Macedonia)

Macedonia's transmission system operator (MEPSO) has opened bids submitted in the tender for import of electrical energy in period January –April 2007th. The offered prices varied between 56 and 89 euros per MWh.

Participating companies, E.ON, PCC, Sempra, EDF, ETC, EFT and Atel have offered only 50 % of 806 GWh of electricity initially required by MEPSO. It means that large industrial customers will most likely face reduction in power supply, as it was earlier announced by government of Macedonia.

Head of MEPSO also confirmed that there would be no reduction in power supply for households' customers as well as for small companies connected to distribution network in the aforementioned period. This should be officially approved by the government.

Due to latest development, MEPSO would continue to provide missing electricity from thermal power plant (TPP) Negotino. According to announcements, MEPSO would not demand increase in electricity prices for the time being.

Due to lack of electricity, the largest industrial customer, the Silmak, would be forced to stop the production process, while Feni and some other companies would face reduction in power supply.

In the relate news, Silmak demanded from MEPSO deliver electrical energy to the factory, and later to settle mutual debts. Silmak expects from MEPSO to deliver 50 MWh/h of electricity during December, which is 50 % of normal amount in order not to stop production process.

MEPSO did not accept the request saying that Silmak owes 6 million euros for already delivered electrical energy. Silmak has recently offered the high voltage substation located in the plant as compensation to MEPSO for the debts. The substation is also used for power supply of Tetovo region, but MEPSO claimed that it would not cover the entire debt.

§ § §

HPP Piva produced over 700 GWh in the first ten months of 2006th (Montenegro)

Director of storage-type hydropower plant (HPP) Piva (300 MW) confirmed that power production in HPP reached 711.55 GWh in

the period January-October this year, which was 22.4 % higher than planned.

Despite the high production, electrical energy stored in accumulation lake was 42.5 GWh higher than planned.

The renewal of all three units in HPP has been carried out in this year, where HPP was in the standstill during the last week in October. During the first phase of renewal of the HPP, new system for electrical breaking and new generator switch breakers have been installed.

The start of the second and more expensive phase of renewal was initiated by the negotiations with German KfW bank. Germans should grant the 36 million euros loan, where the first payment would be 16 million euros. Norwegian Statkraft was one of the companies interested for renewal of the HPP, director of the plant confirmed. One of the main problems of the HPP Piva is the current 600,000 euros of debt to suppliers and contractors.

HPP Piva covers 30 % of electrical energy needs of the country. In the last 30 years, HPP Piva has been operating under long-term contract between Power utility of Montenegro (EPCG) and Power utility of Serbia (EPS). HPP Piva produces mostly peak electrical energy, where average annual production reaches 760 GWh. HPP has been operated by EPS, and in return, EPS delivers 30 to 40 % of constant electricity more to EPCG, comparing to annual production of HPP Piva.

§ § §

EPCG reduced electricity import due to favorable hydrology (Montenegro)

Power utility of Montenegro (EPCG) has reduced daily electricity import in the second half of November by 1.2 GWh due to considerable rains, head of Transmission department of EPCG confirmed. Due to favorable hydrology, hydro power plant (HPP) Perucica has increased power production and daily import stood at 1 GWh.

Before the rains, the electrical energy stored in accumulation lake of HPP Perucica was 30 GWh, which was very close the hydrology minimum. One of the main reasons for energy crisis and potential power cuts in the country was the three-month drought, EPCG's official said.

EPCG has been paying imported electrical energy at average price of 68 euros per MWh, where electricity was supplied by HSE (Slovenia), Energy Holding (Romania) and Atel (Switzerland). Until the October this year, EPCG has paid 41.35 euros per kWh for overall electricity import (no customs taxes, VAT and fees for capacity allocation included).

It is estimated that Montenegro would need to import 41 % of overall electrical energy needs in 2007th. EPCG should decide on new power suppliers in 2007th very soon. Five companies have submitted bids in the tender recently launched by EPCG, where average price of electricity offered in the tender was 65 euros.

§ § §

Norway granted 1.17 million euros to EPCG (Montenegro)

Power utility of Montenegro (EPCG) plans to carry out several projects in transmission and distribution power network with the help of Norway.

In October this year, Norway has donated 1.17 million euro to EPCG, which should be used for enlargement of 400 kV substation Ribarevine and distribution network in city of Kotor. The funds should be also used for implementation of new IT technologies and remote management of distribution networks.

In substation Ribarevine, new 400/110 kV transformed should be installed, which will improve power supply in Bijelo Polje, Berane, Andrijevića and Mojkovac. Norway has been also financing the project for enlargement of substation in Ulcinj as well as the project for potential construction of small hydropower plants.

In last year, Norway has granted 4.7 million euros for various projects in electrical energy sector in Montenegro.

§ § §

Customers owe 85 million euros to EPCG (Montenegro)

During the November, Power utility of Montenegro (EPCG) has launched action for all customers to pay the current debts and in return, national power company was willing to forget barred debts. Only two days after the campaign started, board of directors of EPCG decided to stop the action and to file the large number of lawsuit against the debtors.

Nevertheless, lawyers confirmed that, according to laws in Montenegro, the debts that were not paid are considered as barred after one year for households and after three years for companies. EPCG should prepare final report on the aforementioned debts by the end of December.

Power utility of Montenegro (EPCG) confirmed that companies owe some 45 million euros for delivered electrical energy. Out of this amount, 6 million euros is the barred debt. In the same time, households owe some 40 million euros to EPCG. It is believed that 85,000 households have 29 million euros of barred debts in this moment, so that 35 million euros of debts, made by companies and households, would be excluded from paying.

§ § §

EPCG owes 35 million euros to coalmine Pljevlja (Montenegro)

The coalmine Pljevlja has produced 1.24 million tons of coal in the first ten months of 2006th, which was 3 % higher than planned, board of directors of the company said. In the same period, the coalmine has delivered 1.12 million tons of coal to thermal power plant (TPP) Pljevlja, which was 4 % below the plan. In October, coal production was 117,000 tons (2 % higher than planned).

Management board warned on lack of funds and investments, which endangered normal production process. One of the main problems is the delay in payment by Power utility of Montenegro (EPCG). National power company owe some 35.5 million euros to the coalmine, where in October EPCG paid 1.7million euros of debt. In the same time, the coalmine owes 7.88 million euros to various creditors.

Directors demanded from EPCG to pay all debts until the January 20th next year, in order to provide stable coal supply of TPP Pljevlja.

The lack of funds has almost stopped the project for dislocation of river Cehotina, related to enlargement of the open pit mine Potrlica. Officials from coalmine called for urgent measures in order to find solution for new coal ash depot. If not, interruption in coal production could most seriously jeopardize entire economy in the country, coalmine's officials said.

§ § §

33.651 million tons of coal to be produced in 2006th, 40 million tons in 2020th (Romania)

Romania should produce 33.651 million tons of coal by the end of this year, which would be 2.87 million tons higher comparing to the last year.

According to the long-term plans, Romania should reach coal production of 39.143 million tons in period 2006th -2020th. In 2007th, coal production should reach 34.776 million tons, in 2008th 36.401 millions, in 2009th 37.783 millions, in 2010th 38.443 million tons and in 2015th, the coal production should reach 41.143 million tons.

The net pit coal (mineral coal) production should reach 2.428 million tons in 2006th. Long-term plans predict that mineral coal production would reach 3.358 million tons in 2020th. Starting from 2007th, only producer of mineral coal in the country will be National Pitcoal Company Petrosani.

The brown coal (lignite) production should reach 28.060 million tons in 2006th. 17.8 millions will be produced by National Brown Coal Company Oltenia Targu Jiu,, 888,000 tons by the National Coal Company Ploiesti, 6.435 million tons by the Energy Complex Rovinari, 5.75 million tons by the Rovinari Energy Complex and 650,000 tons of coal will be produced by the Craiova Energy Complex.

It is expected that brown coal production would reach 35.785 million tons in 2020th.

§ § §

Transelectrica to list another 5 % of shares in 2007th (Romania)

Romania's transmission system operator (Transelectrica) plans to list 5 % of shares on the Bucharest Stock Exchange (BVB) in the next year. The company has already listed 10% of shares on BVB in August this year.

The package will be given to the citizens expropriated before the 1989th as compensation by the Ministry of economy and commerce. The share price will be determined in accordance to the average prices in period of six months. The new shareholders will be banned from selling the shares in the first six months of the ownership.

Ministry of economy and commerce, with 76.5 % of shares, is the majority owner of Transelectrica, followed by Proprietatea Fund with 13.5 % of shares. At the end of 2007th, Ministry should own 71.5 % of shares, Proprietatea Fund would own 13.5 % of shares and 15 % will be listed in stock exchange.

§ § §

Supreme Defense Council demands all privatization and supply contracts in energy sector to be made public (Romania)

The Supreme Defense Council (CSAT) has requested that all privatization and supply contracts in energy sector should be made public. This was the consequence of numerous misconducts and errors made by such contracts, which endanger energy security in Romania, country's president said after session of CSAT. All participants in privatization contracts should have been informed about this decision. The main aim of such decision was to avoid similar mistakes in the future, president of Romania said.

It means that privatization contracts of Petrom and other power and natural gas companies would be made public by the holders of the contracts. In the same time, supply contracts made by gas and power companies would no longer be confidential. The contracts will be scrutinized by Prosecutor's Office.

The first official charges have been made against the director of the Office for State Shareholding and Privatization in Industry (OP-SPI) with the Ministry of Economy and Commerce, deputy head of (OPSPI), adviser to the Minister of Communication and Information Technologies, several financial and banking advisors and head of legal department OPSPI. One of the main charges was the revealing of state secrets.

In the same time, President of Romania confirmed that presidential commission would be established, the task of which would be to propose energy strategy in three to six months to the government. New energy strategy should reduce Romania's energy dependence and increase power production capacities of the country, president said.

In the related news, several days after CSAT meeting, president and prime minister of Romania have had talks regarding privatization in energy sector. Two highest country's officials have earlier had different views on privatization in energy sector, which was one of the reasons for their meeting. President of Romania has demanded from minister of economy not to enter any privatization procedure until the end of scrutiny of previous privatizations.

Two officials also discussed the latest crisis in gas sector started after increase in gas prices of 20 % imposed by natural gas distribution companies. The price increase was later reduced to 8.5 %.

According to latest news, ministry of economy and commerce will publish the privatization contracts in energy sector on official website. The report will not contain business plans of new owners.

Ministry confirmed that five foreign companies, OMV, E.ON Ruhrgas, E.ON Energie, CEZ and Enel agreed to disclose the privatization contracts. Some Romania's media also confirmed that EDF de France also agreed on revealing the privatization contracts.

§ § §

Experts predicts dependency on electricity import in 2012th (Romania)

General director of Institute for Studies and Projects in Energy (ISPE) believes that Romania would be dependent on electricity import in 2012th due to lack of projects for new and more efficient energy resources. This would happen if no actions in that sense were made, because any energy project needs up to five years to implement, he

said. According to director, Romania imports some 38 % of overall energy needs.

One of the main problems for Romania's energy sector is the low efficiency rate of 33 % in usage of energy sources. ISPE's director called for implementation of new technologies in usage of energy sources.

§ § §

4.7 % increase in electricity prices (Romania)

Although it was initially announced for January 1st, starting from December 1st, households' customers will be obliged to pay 4.7 % higher electricity prices.

This was the consequence of the increase in natural gas prices, low hydropower production due to low Danube flow and problems in coal supply, National Energy Regulation Authority (ANRE) explained.

The last price increase of 1.85 % happened on January 1st 2006th.

§ § §

Transelectrica put in service new substation (Romania)

In the end of November, Romania's transmission system operator Transelectrica has put in service new 400/220 kV substation in Iernut.

The worth of the investment reached 16 million euros, and it was the part of the larger 26 million euros project for upgrade of the 400/220/110kV Iernut substation.

The project was financed by the loan of World Bank, by which 100 % equipment and 80 % of construction works was paid.

§ § §

Increase in profit of 30 % for Romgaz, 219 million euros of investments in 2007th (Romania)

Natural gas producer Romgaz has reported net profit of 101.25 million euros in the first nine months of this year, which was 30 % higher comparing to the overall profit in the whole last year. In the same period, overall turnover reached 613.1 million euros (48 % increase).

The increase in profit was mostly related to the increase in natural gas prices, but also to 12.8 % increase in natural gas production and enlargement of storage capacities.

According to estimations, overall profit in 2006th should reach 134.1 million euros (100 % increase comparing to the last year), and overall turnover should reach 878 million euros. Overall production should reach 6 billion cubic meters, which would represent one third of overall Romania's natural gas needs.

Romgaz is one of the largest natural gas producers in Eastern Europe. In 2007th, company has announced 219 million euros worth investment program.

§ § §

Domestic oil and gas reserves sufficient for 15 years at most (Romania)

According to the draft energy policy for period 2006-2009, issued by ministry of economy and trade, Romania's domestic oil and gas reserves would be sufficient to cover consumption in period of 15 years at most, if the annual consumption was equal to that in 2005th.

The current oil reserves are estimated at 73.7 million tons and natural gas reserves at 185 billion cubic meters. Data showed that domestic oil production decreased from 14.7 million tons down to 5.2 million tons in last 30 years. As for natural gas production, decrease in production was noticed since 1990th. In 2005th, natural gas production reached 12.5 billion cubic meters, which represented 71.5 % of overall domestic consumption.

At the end of 2005th, number of natural gas customers stood at 2.41 millions, where 2.3 millions were households. In 2005th, the price of domestically produced natural gas was 90 dollars per 1,000 cubic meters, while prices for end customers were increased by 35 % for all categories. Romania would harmonize domestic natural gas prices to imported prices gradually in the next two years.

§ § §

65 million euros profit of NIS (Serbia)

Oil industry of Serbia (NIS) has reported 65 million euros of profit in the first nine months of this year, which was 10 % higher than expected.

In the same time, the company has invested some 50 million euros, mostly in environmental projects. Management board of the company concluded that favorable business results in this year have been continued and that oil supply of market in Serbia was stable.

§ § §

Government supported construction of new gas pipeline (Serbia)

Minister of industry of Serbia announced that government of Serbia, public gas company Srbijagas and Russian Gazprom would sign the memorandum of understanding regarding the construction of new gas pipeline across Serbia. The MoU should be signed by the December 20th.

The project for construction of new gas pipeline would connect Turkey, Bulgaria, Croatia and Northern Italy, where entire project in Serbia would be green field investment. The capacity of the 400 km pipeline should be 20 billion cubic meters per year. New pipeline should provide alternative supply route for Serbia, as well as considerable transit fees of 200 million euros per year, which would be shared with Russian partners.

Serbian government in July this year officially supported the construction of new pipeline. In that time, Serbian officials said that worth of the project would be 1 billion dollars.

§ § §

Tender for privatization of NIS in the beginning of 2007th (Serbia)

Minister of energy and mining of Serbia has confirmed that preparations for privatization of Oil industry of Serbia have been underway and that tender for privatization of NIS would be launched probably in the beginning of the next year.

According to the minister, government has adopted privatization model and reached decision for sale of minority stake in the company.

Minister said this during the official start of gasification project in Cacak municipality. Serbia has adopted national strategy for connection of 400,000 households' customers to natural gas network until 2015th.

§ § §

EN Plus wants to participate in the tender for renewal of TPP Kosovo A (Serbia)

Russian company EN Plus should participate in the preliminary tender for modernization of thermal power plant (TPP) Kosovo A, Russian media reported. EN Plus is the part of Basic element, along with Rusal and other dependent companies.

Preliminary tender bids should take place until the end of November. The tender also includes offers for construction of new TPP, the TPP Kosovo C, with potential power output of 2,100 MW as well as concession contract for coalmine Sibovac.

Russian newspaper also confirmed that prime minister of interim government of Kosovo, during his visit to Moscow from November 30th until December 2nd, would discuss economy issues with Russian officials. According to newspaper, Rusal, which owns aluminum factory in neighboring Montenegro and looks for stable power supply, is highly interested for acquiring the TPP Kosovo A or for building the new power plant.

As a reminder, Basic element, i.e. EN Plus has already won in the tender for privatization of TPP Pljevlja and coalmine Pljevlja in Montenegro.

§ § §

PPC and Contour Global interested for power plant and coalmine in Kosovo (Serbia)

The joint venture of Public power corporation (PPC) and US company Contour Global (CG), the SENCAP, should submit letter of interest for construction of new lignite fired thermal power plant (TPP) in Kosovo. The power output of future TPP could be up to 2,100 MW.

Deadline for submitting letters of interest expired on November 30th. Tender also includes renewal of existing TPP Kosovo A. The overall worth of the investment is estimated at 3.5 to 5 billion euros.

The second stage of the tender should take place in the beginning of 2007th, and tender should be concluded by the end of 2007th.

§ § §

KEK improved collection rate, official demanded for better performance (Serbia, Kosovo)

Minister of energy and mining of interim government of Kosovo warned management of Kosovo power corporation (KEK) on possible dismissals if the company fails to provide stable power supply in the province.

In the same time, minister expressed satisfaction with the fact that KEK managed to collect 8.4 million euros from customers in November this year, which was 15 % higher comparing to the last year.

Managing director of KEK explained the latest power cuts in the province with the problems in power grid. It is estimated that KEK needs to invest 5 million euros to replace old power grid.

§ § §

Kosovo corporation of Lignite to be established (Serbia, Kosovo)

Ministry of energy and mining in interim government of Kosovo announced establishment of joint stock company Kosovo corporation of lignite. The company would be owned by the government and it will have the Shareholders General Assembly, Board of Directors, and the Management.

New company is the result of restructuring of energy sector of Kosovo, where company would be responsible for lignite supply, Kosovo officials said. The proposal was approved by Kosovo parliament and the issue needs to be approved by Kosovo Trust Agency.

The government of Kosovo has also approved the letter from World Bank regarding the policy for development of lignite mines in Kosovo, in particular in Klina and Sibovac.

In the same time, sources confirmed that World Bank would not agree with the fact that new lignite company would take over mines from Kosovo power corporation (KEK) without any compensation.

Nevertheless, according to different sources, minister of energy and mining has started negotiations with Deutsche Bank and the World Bank to provide loans for lignite mine Sibovac.

According to the data presented by Statistical Office of Kosovo, 6.4 million tons of coal was produced in 2005th. In the period January-August this year, coal production reached 3.9 million euros, where projection shows that overall production in 2006th would be lower comparing to 2005th. Deliveries to thermal power plants Kosovo A and Kosovo B reached only 435,000 tons in August this year, official data showed.

§ § §

Tenders:

Electricity

Company / organization: EBRD, related Bosnia and Herzegovina

Power distribution

Content: 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. 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:

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; AI-FE conductors – ropes; earthing tapes; ADSS optical cables)

LOT B: Supply of poles for overhead lines up to 20 kV (Concrete and wooden poles)

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

Deadline: 25 Jan 2006 at 13:00, Banja Luka time

Contact: 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

Company / organization: PPC, related Greece

170KV COMPACT INTEGRATED SUBSTATION MODULES

Content: 170KV COMPACT INTEGRATED SUBSTATION MODULE, in accordance with the attached PPC' s technical specification SS-77 FEBRUARY 2006, consisting of the following electrical equipment:

- One (1) 3-pole circuit breaker or three (3) single pole circuit breakers, suitable however for 3-pole operation.
- Two (2) three-pole disconnectors or two (2) groups of three (3) single-pole disconnectors.
- One (1) 3-pole earthing switch or three (3) single-pole earthing switch.
- Three (3) 1-phase current transformers.
- Three (3) 1-phase voltaget transformers.

Quantity: 4 pcs

Deadline: 19.12.2006, 11:30 AM

Contact: 89 DIRRAHIU AND KIFISSOU STR., OFFICE No 101Á, PHONE No +30 210 5192626

Company / organization: EAR, related Kosovo

Major Overhaul of Over Burden System for Sibovc South West Mine

Content: 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).

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.

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

Deadline: 19 February 2007 at 17hrs00 Central European Time

Contact: European Agency for Reconstruction
Operational Centre Pristina
Procurement Section
Head of Procurement Section
No 1, Kosovo Street
Pristina, Kosovo UNMIK
Fax: + 381 38 51 31 308
E-mail: luisa.lopez@ear.europa.eu
Copy to: majlinda.statovci@ear.europa.eu

Company / organization: EPCG, related Montenegro

Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution

Content: Required Consulting Services:

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.

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.

Deadline: January 22nd, 2007 at 13:00 hours Montenegro time

Contact: Dipl.-Ing. Klaus Müller
Südring 57, 69514 Laudendbach, 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
District Heating Modernisation and Rehabilitation	
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:	26 February 2007
Contact:	European Agency of Reconstruction Vasina 2-4, 11000, Belgrade, Republic of Serbia Att.: Procurement Officer Fax: + 381 11 30 23 466

Company / organization:	EPCG, related Montenegro
Extension and Construction of High Voltage Substations; Consulting Services for Project Preparation and Execution	
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
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Company / organization:	EPCG, related Montenegro
Rehabilitation and Modernisation of Hydro Power Plant Piva; Consulting Services for Project Preparation and Execution	
Content:	<p>Required Consulting Services:</p> <ul style="list-style-type: none"> » Checking of all existing documentation » Inspection of the Power Plant » Tendering of the necessary testing of equipment and civil works to third party companies/institutions » Decision as to the required scope of rehabilitation » Establishment of Preliminary Design and Feasibility Study to fulfil the requirements of national legislation to integrate the scheme into the budget » Establishment of the complete tender design and documents for all rehabilitation measures Assistance to the PEA in evaluating the tenders and negotiation of contracts » Supervision of all supply, erection and construction works » Execution of all factory acceptances » Execution of provisional and final acceptances at the site and establishment of the respective certificates » Reporting » Cost control
Deadline:	January 29th, 2007 at 13:00 hours Montenegro time
Contact:	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

Company / organization:	PPC, related Greece
POWER/T/F 40/50 MVA	
Content:	Power Transformer (T/F) 40/50 MVA 150/15,75-21 KV with automatic load-ratio control , connection Dyn1, according to PPC Specification SS-25/15 and para . 17 of Special Terms. Quantity: 10 pcs
Deadline:	14.12.2006. 9:30 AM
Contact:	89 DIRRAHIU AND KIFISSOU STR, room 117, PHONE : +30 210 5192379

Company / organization:	PPC, related Greece
400KV & 150KV LINE TRAPS	
Content:	LINE TRAPS FOR TRANSMISSION NETWORKS 400 KV & 150 KV according to PPC's Technical Specification SS-38/5 Revision 5 APRIL 2004
Deadline:	12.12.2006, 11:30 AM

Contact: 89 DIRRAHIU AND KIFISSOU STR., OFFICE No 101Á PHONE No +30 210 5192626

Company / organization: EPS, related Serbia

Rehabilitation of Hydropower Plant Bajina Basta

Content: Required Services:

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.

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

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.

Deadline: 30.03.2007, 14:00 hours local time

Contact: Mr. Dejan Ostojic
email: dejan.ostojic@eps.co.yu

Company / organization: EAR, related Romania

Awareness Raising in View of Full Liberalisation of the Electricity Market

Content: The full liberalization of the electricity market in Romania is due in the near term, as well as the finalization of the necessary legal and regulatory framework. These developments will have a major impact on energy market actors, i.e. generators, suppliers, consumers, etc. This is especially important regarding consumers who have to be informed on both the opportunities created and their rights and obligations. The proposed project aims at the development of a communication strategy for the Romanian Energy Regulatory Authority (ANRE), the development of the necessary information material specifically tailored to the different groups of market actors, the organization of information dissemination events in order to inform market participants and the realization of an information campaign, with a special focus on the changing supplier process and protection of vulnerable consumers.

Maximum budget
400,000 EUR

Deadline: 11 December 2006, 16:00 local time

Contact: Central Finance and Contracts Unit, Ministry of Public Finance
44 Mircea Voda Blvd, Entrance B., Bucharest, Sector 3
Tel: (+4021) 326.55.55
Fax: (+4021) 326.87.30/ (+4021) 326.87.09
Contact person: Daniela Tala, Project Officer

Company / organization: EBRD, related Serbia

Belgrade District Heating

Content: 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.

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".

The Employer now invites sealed tenders from contractors for the following contracts to be funded from part of the proceeds of the loan:

Contract for the Supply and Installation of Economisers for

TO Dunav, TO Konjarnik and TO Vozdovac

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.

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: KESH, related Albania

Purchase of electrical energy

Content: KESH Albania has announced a bid for purchasing of 2.206.300 MWh electrical energy for the period of 01/01/2007 to 31/12/2007", with a Total Limit Fund of 162.830.396 Euro, scheduled to take place on November 6, 2006 at 12:00, local time.

Contact and information: Phone: + 355 4 228 434
Fax: + 355 4 241 982
<http://www.kesh.com.al/>

Company / organization:	EBRD, related Romania
Timisoara District Heating	
Content:	<p>The district heating company of the city of Timisoara, Colterm SA ("Colterm" or the "Company") intends to implement an investment programme to rehabilitate its district heating system in order to increase overall efficiency through installation of new gas turbine units (gas and steam turbines with hot water recovery boilers) for co-generation of heat and electricity (the "Project"). The Project, which has a total estimated cost of about EUR 22.5 million, represents a modernisation and an extension of the existing co-generation plant.</p> <p>Colterm is seeking to engage a consultant to improve the commercial performance and standards of corporate governance of the Company (the "assignment"), for inter-alia:</p> <p>(i) development and implementation of a Financial and Operational Performance Improvement Programme which will focus on:</p> <ul style="list-style-type: none"> - Institutional developments (control over assets and services agreement, corporate organisation, management information system); - Financial Performance improvements (tariff policy, budgeting and cash management, revenue collection procedures); - Operational Performance improvements (operational efficiency, insurance management, environmental management, customer and public relations); <p>(ii) development and implementation of a medium-term Corporate Business Plan focusing on medium and long term corporate, financial and operational improvements, and development and implementation of a corporate planning process into the existing budget and business planning processes.</p> <p>Assignment Start Date and Duration: The assignment is anticipated to start in February 2007 and have a duration of 20 months</p> <p>Maximum Budget available for the Assignment: EUR 330,000; Exclusive of VAT.</p>
Deadline:	5 Dec 2006 at 16:00, Bucharest time
Contact:	Aurel Matei Deputy General Manager; Colterm SA; Str Episcop Joseph Lonovici No 4; Timisoara; 300092 Romania Tel: +40 256 434 614 Fax +40 256 431 616 E-mail: aurel.matei@colterm.ro

Company / organization:	PPC, related Greece
FITTINGS FOR 150KV.T.L	
Content:	<ul style="list-style-type: none"> -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:	<p>Project Status</p> <p>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.</p> <p>Eligibility</p> <p>Strategic partners shall be such that are owners and operators of coal-fired power plants. Conditions for participation in preliminary site visits for other potentially interested parties can be obtained from the advisors below.</p>
Contact:	<p>Gudrun Kuffner, Project Manager, EPIC Vienna, Austria; Tel: +43 1 5011957; Fax: +43 501199, email: gudrun.kuffner@epicinvest.com;</p> <p>Jasmina Nestic, Project Manager, EPIC Belgrade d.o.o., Belgrade, Serbia; Tel: +381 11 2633290; Fax: +381 11 2628975; email: jasmina.nestic@epicinvest.com</p>

Company / organization:	EAR, related Serbiaa
Ash Disposal System – Nikola Tesla B Thermal Power Plant	
Content:	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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:	EBRD, related Romania
Timisoara District Heating - Works and Consultancy	
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; (b) procurement and implementation supervision; (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:	EBRD, related Romania
CFR TRACTION ENERGY NETWORK MANAGEMENT PROJECT	
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> <ol style="list-style-type: none"> 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; 2. Supply of catenary maintenance vehicles; and 3. Consultancy services for contract supervision. <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

Company / organization: **EBRD, related Romania**

Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress

Content: 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.

Phase I

1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.

1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.

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.

Phase II

2.1 Managerial and monitoring support during contracting.

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.

2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.

2.4 Environmental measures monitoring during implementation of the construction and erection works.

2.5 Verification of implementation according to the PIP and review of any changes to the PIP.

2.6 Verification of the proper use of available funds.

2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.

Phase III

3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Report

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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.

Company / organization: EAR, related Kosovo

Tender preparation for Rehabilitation of Coal System for the new Sibovc south west mine in KEK

Content: The aim of this project is to provide further support to the Contracting Authority on preparing a works tender dossier for the rehabilitation of a Coal System for the opening of the new Sibovc South West Lignite mine for KEK, the power utility of Kosovo-UNMIK. The assistance will include preparation of the works tender dossier for electrical and mechanical rehabilitation of one coal system consisting of coal conveyors (including long distance conveyor), one bucket wheel excavator and power supply for complete coal system. Also the consultant shall participate in the site visit, prepare the answers to the clarifications during tendering period and participate in the evaluation of the project for main project for the rehabilitation of the coal system.

It is foreseen that the works contract is prepared under the "Plant and Design-Build" FIDIC Conditions of contract.

Maximum budget
400,000 EUR

Deadline: 6 December 2006 at 17.00, CET.

Contact: The European Agency for Reconstruction
Procurement Section
Attn: Head of Procurement Section
1 Kosova street, Pristina, Kosovo – UNMIK
Tel: +381 38 51 31 200

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