

October (1) 2006 issue of Balkan Energy NEWS, with limited data

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

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Balkan Energy NEWS publication

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

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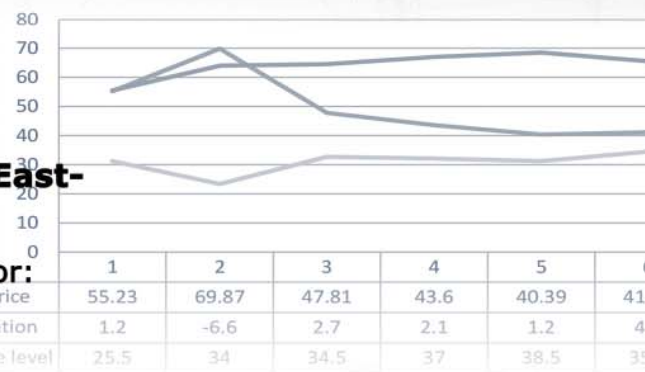
The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

06	1022	Slovenia	2008	11182	1027	891	953	850	811	838
48	1134		2010	12267	1083	991	1054	941	1054	941
81	1077		2011	12590	955	1051	1127	997	1127	997

OPCOM

Annual electricity consumption in GWh

	Year	Sum	1	2	3	4
16	2007	11182	1027	891	953	850
95	2008	11570	1094	998	1012	911
51	2009	10994	1099	932	963	816
00	2010	11722	1074	979	1016	910
86	2011	12186	1155	1038	1075	938
05	2008	34506	3450	3299	2960	2831
87	2009	32727	3272	3001	3196	2636
70	2010	31954	3486	3052	3021	2443
47	2011	33452	3475	3107	3097	2577
15	2008	17842	1680	1543	1570	1423
63	2009	17507	1625	1530	1551	1323
77	2010	17474	1553	1481	1553	1356
53	2011	18424	1655	1481	1553	1356
71	2008	5306	4915	4539	4269	4105
39	2009	5304	4652	4271	4401	3894
11	2010	53565	4666	4107	4327	3913
94	2011	53565	4666	4107	4327	3913
73	2008	4522	4522	4158	4423	3865
52	2009	4522	4522	4158	4423	3865
40	2010	4522	4522	4158	4423	3865
14	2011	4522	4522	4158	4423	3865
94	2009	7576	862	747	755	468
38	2010	7576	862	747	755	468
52	2011	7576	862	747	755	468
13	2009	54131	4735	4418	4660	4081
25	2010	54131	4735	4418	4660	4081
64	2011	54131	4735	4418	4660	4081
82	2009	50636	4736	4288	4473	3803
70	2010	53265	4874	4472	4727	4111
35	2011	53265	4874	4472	4727	4111



Country Reports on Energy Business in South Eastern Europe

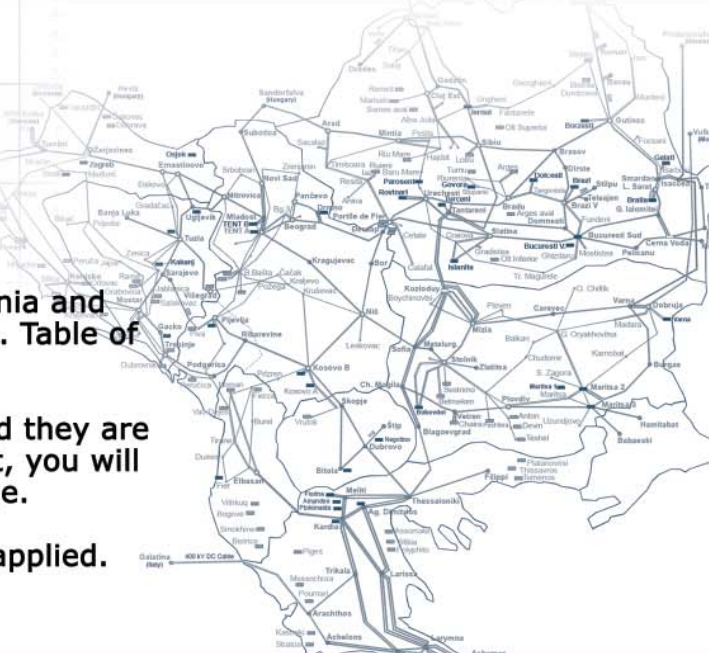
Country reports provide detailed overview of energy sector:

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

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GWh
5000
4000
3000
2000
1000
0

July August September

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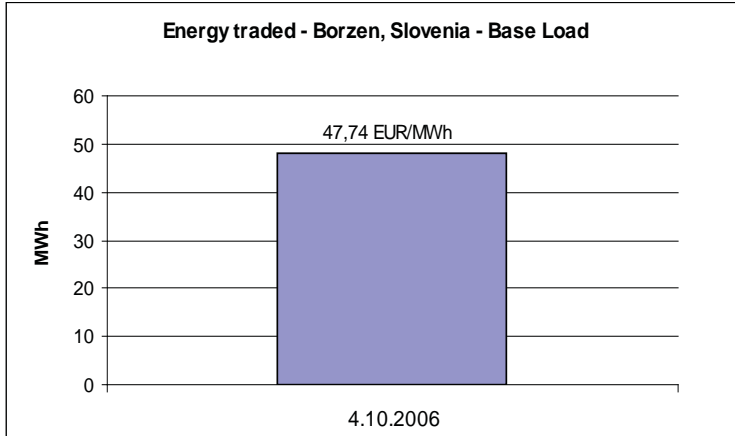
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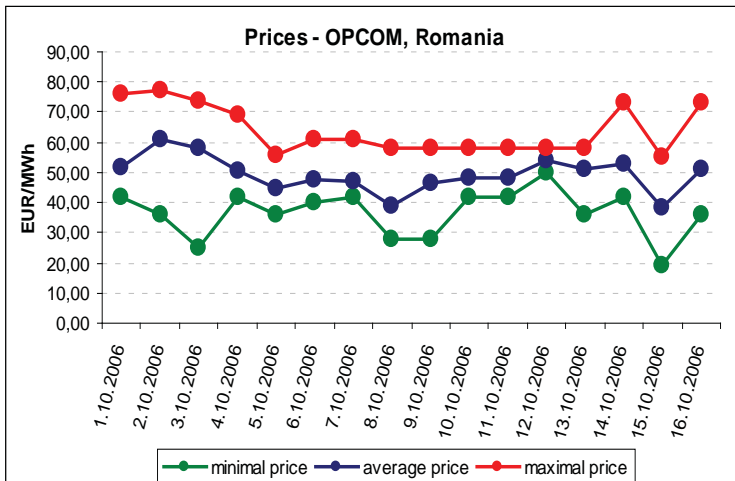
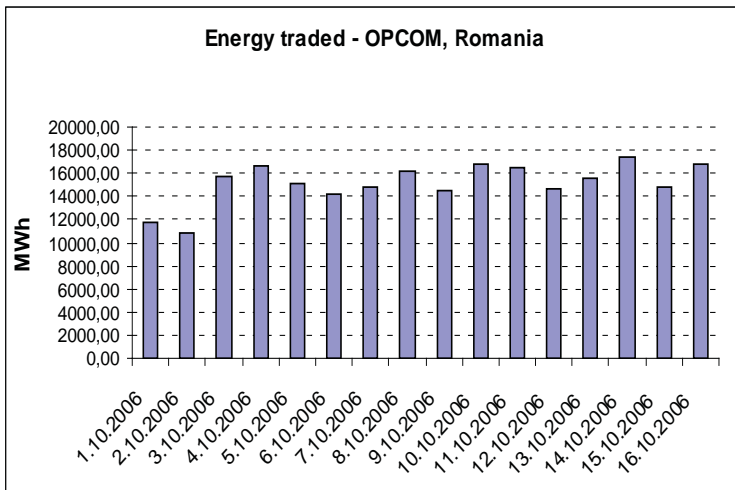
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Power exchanges data:

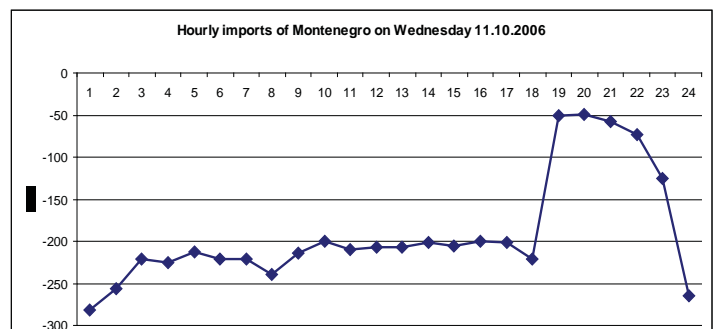
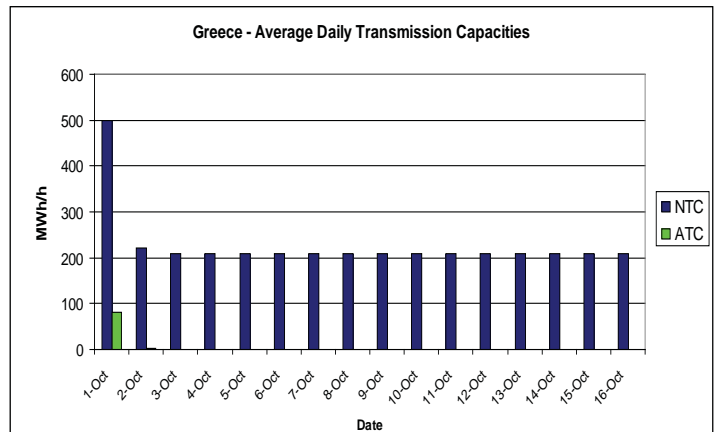


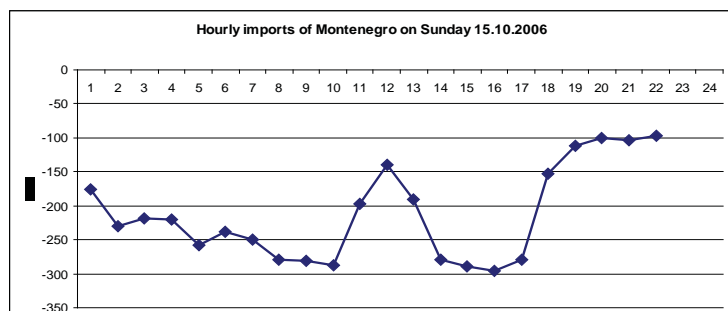
* In the period from 1.10.2006 till 15.10.2006 no other trades were performed on Borzen



Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	679.608	42,75
2	782.724	42,75
3	785.042	42,75
4	798.724	42,75
5	774.167	42,75
6	726.280	42,75
7	667.061	42,75
8	661.718	51,30
9	570.572	52,29
10	688.757	51,30
11	667.240	51,30
12	700.050	51,30
13	722.769	51,30
14	691.088	52,29
15	660.747	51,58
16	698.748	51,30
17	671.007	51,30
18	688.228	51,30
19	721.280	51,30
20	626.131	58,42
21	588.986	59,85
22	638.261	58,42
23	636.863	57,71
24	676.110	51,30
Total	16.522,16	

O p c o m





In the period from 1.10.2006 till 15.10.2006:

Montenegro maximum daily consumption: 11,77 GWh

Montenegro maximal hourly consumption: 530 MWh

Montenegro minimal hourly consumption: 420 MWh

Weather conditions

	16.10.	17.10.	18.10.	19.10.	20.10.
Albania Tirana	T: 12-23 W: W 3 R: -	T: 12-19 W: NW 3 R: -	T: 6-19 W: SW 2 R: -	T: 7-20 W: SW 3 R: -	T: 13-21 W: NE 3 R: 4.6 mm
Bosnia and Herzegovina Sarajevo	T: 4-9 W: N 1-2 R: 3 mm	T: 2-10 W: NW 2 R: -	T: -3-15 W: SW 1 R: -	T: 2-17 W: S 2 R: -	T: 12- 21 W: S 3 R: -
Bulgaria Sofia	T: 7-12 W: NW 2 R: -	T: 4-11 W: N 2 R: -	T: 1-13 W: N 1 R: -	T: 1-16 W: NE 1 R: -	T: 3-18 W: E 1-2 R: -
Croatia Zagreb	T: 6-14 W: NE 2-3 R: 3 mm	T: 2-13 W: E 2 R: -	T: 1-16 W: S 2 R: -	T: 4-19 W: SW 3 R: -	T: 11-20 W: S 3-4 R: 1.8 mm
Greece Athens	T: 14-17 W: NW 2 R: 15.2 mm	T: 14-17 W: N 3-4 R: -	T: 12-17 W: N 2-3 R: -	T: 11-18 W: SW 1 R: -	T: 13-20 W: S 1 R: -
Macedonia Skopje	T: 7-17 W: N 3 R: -	T: 6-15 W: N 2-3 R: -	T: 1-16 W: E 1 R: -	T: 0-18 W: SE 1-2 R: -	T: 5-20 W: S 2 R: 1 mm
Montenegro Podgorica	T: 12-22 W: N 3-4 R: -	T: 10-19 W: N 3 R: -	T: 7-19 W: S 1-2 R: -	T: 7-19 W: S 1-2 R: -	T: 14- 20 W: S 2 R: 10.2 mm
Romania Bucharest	T: 7-15 W: E 2-3 R: 3 mm	T: 5-12 W: NE 2 R: -	T: 0-13 W: SW 2 R: -	T: 0-17 W: SW 2 R: -	T: 1-18 W: S 2 R: -
Serbia Belgrade	T: 7-14 W: N 3 R: 1.5 mm	T: 2-12 W: NW 2 R: -	T: 5-15 W: SE 2-3 R: -	T: 4-19 W: SE 2-3 R: -	T: 9-21 W: SE 4 R: -

T: Ts in Celsius degrees.

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

R: Rain in mm

Average weather conditions for October

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Albania Tirana	-	-	-	-
Bosnia and Herzegovina Sarajevo	5.7	16.5	77 mm	8
Bulgaria Sofia	5.7	16.6	35 mm	7
Croatia Zagreb	5.8	16.2	71.6 mm	10.2
Greece Athens	13.4	23.3	52.6 mm	7.2
Macedonia Skopje	6.3	19.5	42 mm	7
Montenegro Podgorica	11.6	21.7	166 mm	9
Romania Bucharest	5.7	18.0	32 mm	5
Serbia Belgrade	8.3	18.1	40 mm	8

Danube water-level

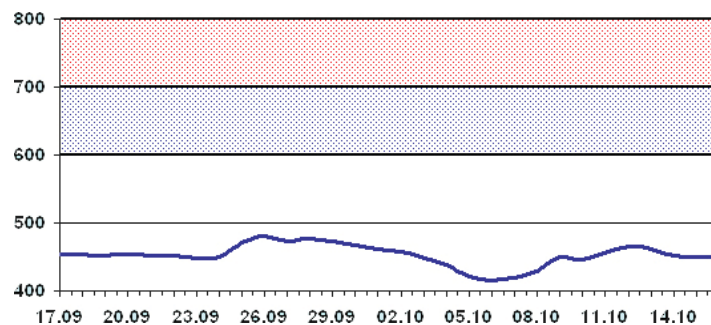
relevant for:

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:

Forthcoming allocation of cross border capacities in Serbia

Auctions for transfer capacities in Serbia will be performed by Elektromreza Srbije (EMS) for the first time only with companies holding a license for Serbia. License can be issued only for companies having registered office in Serbia. Since this is the first time auctions are going to be performed with domestic legal entities only, there are lots of misunderstandings and unresolved issues. Also, documentation is available in Serbian Cyrillic letter only. Main paragraphs of "Temporary rules for allocation of available transfer capacities on interconnections for the period July 1st – December 31st, 2006" are translated and presented here.

Temporary rules are defined in a document "Temporary rules for allocation of available transfer capacities on interconnections for the period July 1st – December 31st, 2006", Version: 4.0, Date: 01.10.2006.

- EMS will perform allocation of available cross border capacity (ATC) on existing interconnections, half of total capacity belonging to EMS will be allocated except if neighbor TOSs do not agree in different terms. For its part of ATC EMS will perform "pro-rata" allocation procedure. Allocation of ATC for month M+1 will be performed in a month M on a dates published on the web site of EMS (www.ems.co.yu)

- EMS will organize allocations in a monthly time frames. Remaining capacity after allocation can be offered in certain situations in a weekly time frame, but only to participants who had right of participation in allocations for that month and who submitted request for allocation of capacities in that month. EMS assumes that request for allocation has been submitted if: participant submitted request form correctly, if his request has been accepted, and if participant requested capacity on at least one border in at least one direction (further: one direction on one interconnection for one whole month is defined as "allocation unit"). Each border has two allocation units (two directions), so maximal number of allocation units is 16 having in mind 8 borders of Serbia. If for one direction, within one month, there are several time periods with different values of ATC, that direction with all its periods within one month represents one allocation unit. In such cases EMS assumes that participant has participated in allocation procedure if he requested capacity for at least one of time periods within such allocation unit.

- Participants whose requests are accepted by EMS will have to sign a contract with EMS about rights of usage of cross border capacity on interconnections of Serbia before physical delivery concerned with allocated capacity.

Participation

- Main prerequisite for participation in allocation procedure for November and December 2006 is that company holds a license for energy activity of "Trading of electric energy on electric energy market in Serbia" issued by Energy Agency of Serbia (further: license).

List of companies holding a license on 15.10.2006 is following (www.aers.org.yu):

- » "HSE BALKAN ENERGY" д.о.о.
- » "Elektroprivreda Srbije" (EPS)
- » "ATEL"
- » "ENERGY FINANCING TEAM"
- » "PCC Energija"
- » "MC INVEST CONSULTING"
- » "EZPADA"
- » "CEZ"
- » "E.ON Sales & Trading SR"
- » "EGL"
- » "ENERGY HOLDING SR"

- If a company wish to participate in allocation procedure for November it has to deliver a copy of a license and a copy of decision of license issuing to EMS before October 5th 2006, 12:00h.

- If a company wish to participate in allocation procedure for December it has to deliver a copy of a license and a copy of decision of license issuing to EMS before November 1st 2006.

- Participants who wish to participate in allocation of ATC must also sign statement about accepting of obligations and conditions defined in document: "Temporary rules for allocation of available transfer capacities on interconnections for the period July 1st – December 31st, 2006" (further: statement). Document of temporary rules and statement form can be downloaded, in Serbian language only, on www.ems.co.yu. Statement must be submitted on official memo of a company and it must contain full name of responsible person, his position within company, his signature, stamp and registration number of a company.

- Participant must deliver signed statement before 10th in a month M-1, 12:00h, if he wants to participate in allocation for month M. Signed statement form should be delivered to EMS on fax number +381 11 3970 217. EMS will inform participant about acceptance or refusal of his participation in allocation procedure 2 days after delivery of statement. It is interesting that due to technical capabilities of EMS's informational system and capabilities of EMS to check exchange programs, number of transactions is presently limited. On October 1st 2006 maximal allowed number of participants was 15. So, acceptance of participation in allocation procedure depends of number of applicants also and even if company has all documentation it can be excluded due to huge number of participants. Presently there should be no problems about this issue since only 11 companies hold a license, but this problem must be solved soon.

- Participants who receive from EMS acceptance of participation in allocation procedure must deliver original of signed statement to EMS and conclude a contract about rights of usage of cross border capacities in a period from 01.11.2006. 00:00 h till 31.12.2006. 24:00 h (further: contract). Contract must be signed before submission of request for allocation of capacity. Signed statement is valid

for monthly allocations for November and December 2006. Signed contract first has to be sent on fax +381 11 3970 217 (before submission of request for capacity allocation) and it must contain full name of responsible person, his position within company, signature and stamp of company. After that, as soon as possible, 4 original signed contracts should be sent to EMS. Representatives of EMS will signed 4 contracts and send 2 back to participant. Contract should be signed for November and December 2006. If participant does not submit signed contract by fax before submission of his request for allocation of capacity, his request will not be considered.

- After allocation, participants must conclude annex of contract for concerned month. Annex of contract will be concluded after announcement of results of allocation procedure, but before usage of allocated capacity and before deadline set on web site of EMS. Signed annex of contract should be first submitted by fax on +381 11 3970 217 and it must contain full name of responsible person, his position within company, signature and stamp of company. After that, as soon as possible, 4 original signed annex of contracts should be sent to EMS. Representatives of EMS will sign 4 annex of contracts and send 2 back to participant. If participant does not submit signed annex of contract by fax before deadline set on web site of EMS, he will lose his right on usage of allocated capacity and he will be suspended for allocations for next month.

- Participants who has financial debts towards EMS can not participate in allocation procedure.

- Participants who do not follow the rules of EMS and UCTE regarding submission and harmonization of exchange schedules and participants who do not follow procedure for allocation of ATC issued by EMS, will lose right for usage of allocated capacity in current month and will not be allowed to participate in allocation procedure for the next month.

- Capacity allocated to participant can not be returned to EMS in part or whole, and right of usage of allocated capacity can not be transferred to another participant – trade with allocated capacity is not allowed.

- Right of usage of allocated capacity can not be guaranteed by EMS since ATC can be reduced till the moment of physical usage of capacity. In case of unexpected network conditions and accidental situations EMS can limit or fully suspend right on usage of allocated capacity and in that cases pro-rata method of reductions will be used. In such cases participants will not receive any costs compensation from EMS.

- Minimal value of capacity that can be allocated for a single allocation unit is 5 MW and it must be integer number.

- All participants with accepted request for participation in allocation must pay monthly administrative fee (MAF). MAF is being paid for a number of allocation units for which capacity is requested and it does not depend on requested amounts of ATC.

- Request for allocation of capacity must be submitted on official form that can be downloaded on web site of EMS (www.ems.co.yu). Request must contain predetermined identification of allocation unit, requested amount of capacity (integer over 5 MW), time period predetermined by EMS, data about applicant.

- If total amount of requested capacity for any direction is lower than ATC for that direction, all participants will receive requested capacity at price of 0 CSD. If total sum of requests for any allocation unit is larger than ATC of that allocation unit, EMS will perform proportional allocation. All participants will receive a portion of ATC and a fee for allocation of cross border capacity (CBCRF) will

be accounted to all participants for each border and for each direction and time frame separately by following formula:

$CBCRF (CSD) = \text{congestion case fee (CSD/MW)} \times \text{allocated capacity (MW)}$

Congestion case fees are predetermined by EMS and published in a table with ATCs. On values of MAF and CBCRF 18% VAT will be added.

Submission of exchange schedules

Exchange schedules to EMS can submit only companies with license issued by Energy Agency. Before schedules submission company must first inform EMS in written form about:

1 contact person in charge for monthly allocations with his phone, fax and e-mail

2 contact person in charge for exchange schedules (for delivery of "Trading Party Schedule – TPS") who will be available 24h/day with his phone, fax and e-mail

3 official e-mail address for delivery of exchange schedules to EMS and for communication regarding exchange programs

4 EIC code for submission of requests for capacity allocation and exchange schedules submission

- Announcement of cross border transactions for imports towards direction of Serbia can be accepted only from a company that is "sender/responsible party" and that is declared as "in-party" in exchange program.

- Announcement of cross border transactions for exports from Serbia can be accepted only from a company that is "sender/responsible party" and that is declared as "out-party" in exchange program.

- For announcement of cross border transaction schedule to EMS, before submission of exchange program, participants must provide a partner in corresponding neighboring system who has a right to submit exchange schedules to neighboring TSO.

- Nomination of partners for cross border transactions in correspondent neighboring system must be performed on a form that can be downloaded on web site of EMS called: "Request for usage of rights on cross border capacity allocated by neighboring TSO for announcement of cross border transaction". Filled form must be submitted by fax on + 381 11 3970 217 before physical usage of cross border capacity, and latest before 10:00h in a day of announcement of exchange program (day ahead).

- Right for usage of allocated capacity that is not nominated before time limits defined by rules of EMS or UCTE for submission of exchange schedules will be suspended without compensation ("use-it-or-lose-it").

- If market participant does not follow rules of EMS and UCTE regarding exchange schedules (time frames, exchanges within allocated capacity, abusing of allocated capacity, non-harmonized exchange schedules, etc.) their exchange program will be refused by EMS, they will lose right for usage of allocated capacities in a current month and will not be able to participate in allocations for following month.

- Deadline for submission of cross border exchange schedules is defined by UCTE rules to be 14:30h. Exchange program can

not be submitted after 14:30h, and "use it or lose it" rule will be used for capacities.

- CBCRF fee does not depend on exchange program. CBCRF, MAF and VAT must be paid to EMS in advance for following month.

Addresses

Participants must submit their request in Serbian language to EMS's Department for transmission system operation by fax or scanned by e-mail.

Fax: +381 11 39 70 217

E-mail: predrag.savic@ems.co.yu

Requests can be submitted only on forms that can be downloaded on web site of EMS (www.ems.co.yu), file zahtev11s.doc

All information about allocation procedure can be obtained from chief dispatcher Mr. Predrag Savic by phone +381 11 39 70 299.

Allocation for November:

Deadline for requests submission: 13.10.2006, 12:00h

Results of allocation procedure: 16.10.2006, 14:00h

Signing annex of contracts: 18.10.2006.

Deadline for payment of CBCRF and MAF: 26.10.2006.

Allocation for December:

Deadline for requests submission: 17.11.2006, 12:00h

Results of allocation procedure: 20.11.2006, 14:00h

Signing annex of contracts: 21.11.2006.

Deadline for payment of CBCRF and MAF: 29.11.2006.

Allocations for November:

Allocation unit	ATC (MW)	Period	congestion case fee (CSD/MW)
HUSR	150	01.11.-30.11.	80000
ROSR1	81	01.11.-02.11.	16000
ROSR2	0	03.11.-05.11.	0
ROSR3	81	06.11.-30.11.	200000
BGSR	300	01.11.-30.11.	240000
MKSR	150	01.11.-30.11.	27000
ALSR	105	01.11.-30.11.	27000
CGSR	250	01.11.-30.11.	27000
BHSR	0	01.11.-30.11.	0
HRSR	25	01.11.-30.11.	53000
SRHU	150	01.11.-30.11.	80000
SRRO1	175	01.11.-02.11.	2000
SRRO2	0	03.11.-05.11.	0
SRRO3	175	06.11.-30.11.	22000
SRBG	175	01.11.-30.11.	27000
SRMK	150	01.11.-30.11.	53000
SRAL	55	01.11.-30.11.	53000
SRCG	200	01.11.-30.11.	53000
SRBH	50	01.11.-30.11.	106000
SRHR	150	01.11.-30.11.	160000

1EUR ≈ 80 CSD

MAF=80000 CSD per allocation unit

18% VAT will be added on invoice

News:

Contract about mutual cooperation of ERS, EPCG and EPS concluded (Region)

Three power utilities EPCG (Montenegro), ERS (Republic of Srpska – B&H) and EPS (Serbia) created an agreement on mutual cooperation. General managers of three power utilities signed a contract on September 8th in Trebinje (B&H). Contract is especially suitable for cooperation in cases of emergency situations within these three utilities. Mr. Pantelija Dakic from ERS said that contract will enable them to achieve higher prices when exporting electricity. Contract is very significant for coordinated operation of HPP Piva, HPP Visegrad, HPP Bajina Basta and HPP Zvornik.

Intensity of exchange programs can be changed for 30 MW on weekly time frame upon request of EPCG, but with obligation to receive defined monthly amounts of energy. Also, EPCG can make a deposit of 165 GWh in EPS in annual time frame. Contract is signed for a period till 31.12.2015. In case that contract is canceled before termination date, accumulation level in HPP Piva can not be lower than 120 GWh.

§ § §

EBRD granted 16 million euros for power network (Albania)

The European Bank for Reconstruction and Development (EBRD) has granted 16 million euro loan to the Albanian power corporation (KESH).

The 12-year loan will be used for modernization of power network in five areas in northern part of the country, ministry of finance confirmed.

In the related news, Italy has granted 93.2 million euros loan for infrastructure projects in Albania. The part of the loan will be used for renewal of power distribution networks, ministry of finance said.

§ § §

The first license for small HPP in Republic of Srpska (Bosnia and Herzegovina)

Regulatory energy commission (REC) of Republic of Srpska (RS) has issued the first license for operation to the first private small size hydropower plant (HPP) in RS.

The license was granted to the company Eling from Teslic, which will operate HPP Divic on River Vrbanja. The installed power output of the HPP Divic is 1.4 MW, with estimated annual power production of 2.5 GWh. The project was realized through the Build operate transfer (BOT) model in accordance to Concession contract signed with government of RS.

Government's official reminded that government has determined 100 sites for construction of small HPPs, where overall power output should reach 150 to 180 MW.

§ § §

RS plans to sell TPP Gacko, Croatia objects (Bosnia and Herzegovina & Croatia)

Republic of Srpska (RS) has announced plans for privatization of thermal power plant (TPP) Gacko (200 MW), although 50 % of the funds for the construction of TPP was invested by the Croatia.

Croatian officials confirmed that investments for the TPP should have been returned through delivery of electrical energy to Croatia, but the war in Bosnia and Herzegovina (BiH) has disrupted those plans.

In the same time, RS, which did not show the good will for solving the problems with Croatia, has managed to agree on similar issue with Slovenia, which financed construction of TPP Ugljevik (200 MW), Croatia's official reminded.

Due to aforementioned reasons, Power utility of Croatia (HEP) has decided to officially request from Power utility of RS (EPRS) to put on hold planned privatization of TPP Gacko, until the model for returning the debts toward Croatia was agreed.

Croatia and RS are involved in another electrical energy dispute. RS is not satisfied with current division of electrical energy produced in hydropower plant (HPP) Dubrovnik (200 MW). RS claims 75 % of electricity produced in HPP, concerning the invested funds and fact that HPP runs on water delivered by the tunnel from RS.

Croatia has similar problems with Power utility of Serbia, where Croatia invested funds in coalmines and TPP Nikola Tesla A. In the same time, Power utility of BiH (EP BiH) has been returning the funds invested by HEP in TPP Kakanj and TPP Tuzla by delivering electrical energy during past several years.

§ § §

Zarubezneft to buy oil refineries and fuel distributor Petrol by the mid November (Bosnia and Herzegovina)

Minister of industry, energy and industry of Republic of Srpska (RS) has confirmed that government would present proposal for privatization of Oil refinery in Brod, motor oil refinery in Modrica and fuel distributor Petrol to the new elected parliament of RS until the November 15th. November 15th is the deadline for constituting the new parliament of RS after general elections in Bosnia and Herzegovina.

Minister met the representatives of Russian Zarubezhneft, the company with which government of RS has signed privatization protocol in August this year. The Russians will stay in visit to all three companies until October 23rd, and until that time, experts of Zarubezhneft will perform detailed due-diligence of the companies.

Government of RS should settle the most of the considerable debts of the oil refinery in Brod, where 18 to 20 million euros should be paid to the former partner, the Vitol (Great Britain). The overall debts of refinery are 82 million euros, minister said.

The government should pay its part of the debts until the mid 2007th. Also, the government plans to start the modernization of refinery even before the end of privatization, in order to put refinery in service as soon as possible.

According to privatization protocol, Zarubezhneft has offered 42 million euros for oil refinery in Brod, 67 million euros for motor oil refinery in Modrica and 10 million euros for fuel distributor Petrol. Overall investments for modernization of all three companies should reach 979 million euros in the period of four years.

§ § §

EBRD finances new HPPs on Neretva River (Bosnia and Herzegovina)

European Bank for reconstruction and development (EBRD) will have 30 % share in future hydropower plants (HPPs) on Neretva River. The 600 million euros worth project was presented to EBRD, which agreed to finance the entire project.

This was announced general manager of Intrade energija company, the leader of consortium, along with Hidrogradnja and Energoinvest, which will be responsible for construction of HPPs.

The government of Federation of Bosnia and Herzegovina (F BiH) has earlier granted concession contract for construction of HPPs on Neretva River to the Intrade energija. Until 2011th, three HPPs should be build.

Several environmental associations have protested against the construction of new HPPs.

§ § §

450 million euros loan for renewal of TPP Maritsa Iztok 3 (Bulgaria)

Officials from power company Maritsa Iztok 3 have announced that they managed to provide 450 million euros loan for the renewal of the thermal power plant (TPP) Maritsa Iztok 3 (1,260 MW).

The 17-year door-to-door tenor loan is provided and guaranteed by French bank Societe Generale. The loan will be also used to repay company's considerable debt under the existing loan contracts.

Due to lower interest rate and longer repayment period, the Maritsa Iztok company will be able to sell electricity at lower prices to National transmission system operator (NEK), which is in accordance to the Power Purchase Agreement from 2003rd.

The Maritsa Iztok company has recently signed 22 million euros worth contract with local company Totema Engineering. Totema will be obliged to design, construct and install the equipment for removal of gypsum from desulphurization installation in the TPP.

Maritsa Iztok 3 Power Company AD is owned by Italian Enel (73 % of shares) and NEK (27 % of shares). The company also own 840 MW coal fired TPP in Stara Zagora.

§ § §

CEZ paid full price for TPP Varna (Bulgaria)

Czech CEZ, the winner in the tender for sale of thermal power plant (TPP) Varna (1,260 MW), has paid the full price of 206 million euros as it was agreed in March this year. CEZ was invited to start negotia-

tions for purchase of the plant as the second ranked bidder, since the Russian RAO EES withdraw its bid.

CEZ is also obliged to increase the capital stake in TPP by 16 % through issuing of shares with overall worth of 99.8 million euros.

Under the MoU signed by ministry of economy and CEZ, Czech power company will invest 40 million euros in the next four years for the energy project (hydropower and biomass power plants) in Bulgaria. For the time being, ministry did not present real projects to be financed by CEZ.

§ § §

11th December deadline for sale of TPP Bobov Dol to PPC (Bulgaria & Greece)

Bulgaria's Privatization agency (PA) decided that sale of thermal power plant (TPP) Bobov Dol (630 MW) to Public power corporation (PPC) should be finished by the December 11th this year.

In July this year, PPC was selected to become new owner of the TPP, and the original deadline for signing the privatization contract was September 11th.

The deadline was extended in order to acquire all necessary permits from ministry of environment, to resolve issue related to the local coalmines and to sign the reserve capacity agreement with Bulgaria's transmission system operator (NEK).

Due to prolongation of sale procedure, PPC was allowed to perform new due-diligence of the TPP.

As a reminder, PPC has offered 36.17 million euros in cash for 51 % shares in TPP, another 34.8 million euros for the increase of capital stake, and 34.75 million euros for purchase of the rest of the shares in 2007th, so that overall investment of PPC for 100 % in TPP should reach over 105 million euros.

In the same time, sources in Greece suggested that PPC would not purchase the TPP Bobov Dol due to new demands, imposed by Bulgaria's authorities. This would be second time for Bulgaria's authorities to make obstacles for PPC, after PA canceled original tender procedure. PPC later appealed to Supreme Court and become the winner in the tender.

§ § §

Announcements of merger of power, gas and mining companies (Bulgaria)

Bulgaria's officials have been considering an option for fusion of Transmission system operator (NEK), natural gas distributor Bulgargaz, thermal power plant (TPP) Maritsa Iztok 2, nuclear power plant (NPP) Kozloduy and the coalmines Maritsa Iztok into the single holding.

The fusion should happen after gas and power companies have finished restructuring scheduled for the end of 2006th, energy and economy minister confirmed. Minister also said that shares in NEK and Bulgargaz should be listed in local and international stock exchanges.

The model for the restructuring in energy companies should be presented in the period of three months. If the original proposal for

merger were disapproved, energy ministry would propose merger of NEK and Bulgargaz only.

In the related news, CEO of Bulgargaz has presented strategy for restructuring of national gas distributor to the National Assembly Energy Committee in the beginning of October.

The main aim of the restructuring is to separate trading and transport activities in the company. The restructuring is in accordance to EU directives regarding common rules of internal natural gas market.

The Bulgargaz should be restructured into the holdings company, which should be comprised of two legally and functionally separated entities, the Combined operator, which will be in charge for transport, transit and storage of natural gas, and the Public supplier, which will be in charge for natural gas trading. Bulgargaz Holding AD will be 100 % owned by the state.

§ § §

Power distributors against the increase of transmission fees (Bulgaria)

The six companies, the members of recently established Power traders association (PTA), have expressed their dissatisfaction with the latest decision of power regulator to allow increase in transmission fee charged by the National transmission system operator (NEK). New transmission fee is increased by 0.7 euros, up to 5.5 euros per MWh.

PTA members believe that new fees would lead to the obstacles in development of domestic electrical energy market.

Power traders should submit an appeal to the Supreme Administrative Court regarding the increase in transmission fee.

In the related news, E.ON, which owns power distributors in Varna and Gorna Oryahovitsa announced filing the appeal to the Supreme court regarding the new tariffs approved by the power regulator in the end of September.

High official of E.ON Bulgaria said that power regulator has reduced investment and cost targets to all power distributors, which would affect overall performance of the companies. The costs approved by power regulator are 36 % lower comparing to the costs proposed by E.ON.

E.ON has reported breaking the supply agreement with three large industrial customers, which sign supply agreement with NEK directly.

§ § §

Atomstroyexport most likely constructor of NPP Belene, Skoda reduced timeframe for construction of NPP (Bulgaria)

According to sources, Russian Atomstroyexport is the most likely winner in the tender for construction of nuclear power plant (NPP) Belene. In September this year, Russian media said that Atomstroyexport would be winner in the tender.

Bulgarian media suggested that this was indirectly confirmed by the meeting in Paris between Bulgarian energy minister and chairman of the Areva, which was one of the Atomstroyexport's subcontractors.

Bulgarian minister said that winner in the tender would be revealed in the last week of October, while the national transmission operator (NEK) should selected final contractor by the end of 2006th.

In the same time, the second bidder, Czech Skoda has reduced construction period for the first unit down to 4 years. Skoda is the leader of consortium comprised of Skoda Praha, Skoda Nuclear Engineering and the Czech Nuclear Research Institute.

In August this year, Skoda has already reduced the construction period for unit 1 from 10 to 6 years and, for unit 2, from 10 to 7.5 years.

Czech consortium believes that investment in NPP Belene could repay in period of 15 years. General director of Skoda said that they would achieve target production price of 4 eurocent per kWh in new NPP.

§ § §

Bulgargaz and Gazprom announced joint venture for transport of natural gas (Bulgaria)

According to sources, Bulgarian gas company Bulgargaz and Russian Gazprom have announced establishment of joint venture. New company would be in charge for transport of Russian natural gas over Bulgaria.

The proposal was initiated by Bulgaria during the negotiations on changes in long-term supply contract between Bulgargaz and Gazprom. It is estimated that new company could transit some 1.4 billion cubic meters of gas per year.

§ § §

530 billion cubic meters of natural gas in Okoli storage facility (Croatia)

Until October 1st, 530 billion cubic meters of natural gas has been injected into the underground storage facility Okoli. The injection procedure has been started at March 26th.

The current natural gas reserves are 26 million cubic meters higher comparing to the last year. If the injection dynamics was continued, it is estimated that the level of stored natural gas would reach maximum projected level of 553 billion cubic meters, which would be new record for the Okoli storage facility.

§ § §

Janaf to invest 95 million euros for modernization projects (Croatia)

According to company's five-year investment plan, until 2010th, the company Adriatic pipeline (Janaf) will invest some 95 million euros for the modernization of oil transport network.

In the first half of this year, company has invested 3.8 million euros of own funds. The investments were boosted by increased profit of 2.4 million euros in the same period (32.7 % increase), while incomes rose up to 20.3 million euros (6 % increase).

Janaf announced that last stage of installation of optical cable (240 km long) that will be finished by the end of the year. The optical

cable is prerequisite for implementation of the most modern technologies and it is the largest single investment since the pipeline was built.

The project is related to the implementation of new monitoring and management system, aimed to improve transport safety and environmental protection. The optical cable will connect all oil terminals (Omisalj, Sisak, Slavonski Brod and Virje), pumping and exhaust stations along the oil pipeline route.

In this year, Janaf has acquired three certificates, for management quality system, for environmental protection system and for health-care and safety system.

§ § §

Increase in expenses and reduction in profit for HEP (Croatia)

On October 12th the meeting of management board and board of directors of Croatian power utility (HEP) took place. HEP's officials discussed the latest business activities of the company, business results in first eight months this year, investment plans and report of restructuring of the company.

Chairman of the management board reported on all necessary legal actions regarding full separation of Croatian operator of electricity market (HROTE) and establishment of new company, the HEP Trade. He pointed out that restructuring of HEP and HEP's subsidiaries had to be finished by the end of the year.

In the first 8 months, pretax profit of HEP reduced by 14.1 %, the expenses were increased, debts toward HEP were reduced by 6 %, while HEP's debts toward suppliers were reduced by 29 %. In the same time, investments of the company increased by 18 %.

In the first nine months of 2006th there were no significant problems in power supply. The hydrology was even more favorable than the last year, while power consumption was considerably increased, especially during January and August.

§ § §

Calls for construction new NPP (Croatia)

According to Croatian energy experts, Croatia will have to build nuclear power plant (NPP) in order to avoid energy crisis.

It is estimated that in the next ten years, Croatia's power consumption would rise over the level of maximum power production and import capacities. Experts believe that Croatia should start designing new NPP in next three years.

Chairman of the management board of Croatian power utility (HEP) believes that new NPP in Croatia would be built in 2020th at earliest.

Having in mind that preparation works and construction of new NPP last about 5 years each, Croatia could consider construction of new NPP in 2010th. In that time, HEP should finish construction of 4 new conventional power plants, where Croatia would not have any other options for construction of new power plants (except of thermal power plant Plomin), head of HEP said.

§ § §

Direct transport of natural gas from Adriatic in November (Croatia)

Until the end of October, Croatian oil industry (INA) should finish the construction of 45 km long submarine pipeline for transport of natural gas from gas fields in Adriatic and 10 km long section of the gas pipeline in the mainland including the terminal in city of Pula.

By this, for the first time, INA would transport natural gas from Adriatic directly to Croatia. The end of the submarine project would provide stable natural gas supply during incoming winter, INA's officials believe.

New submarine gas pipeline, with transport capacity of 1.5 billion cubic meters of gas per year, will enable transport of entire natural gas production in Northern Adriatic to Croatia.

Until now, INA and Italian ENI have invested 700 million dollars in Northern Adriatic project. Since 1999th, natural gas production in the area reached 4.7 billion cubic meters and it is expected that some 10 billion cubic meters is going to be produced in future. The produced natural gas was divided equally so far, but INA's share will gradually increase. Considerable investments led to the increase in natural gas production. As a comparison, in February this year, daily production stood at 2.5 million cubic meters, while currently production reaches 4.3 million cubic meters.

§ § §

PPC to submit request for new 400 MW power plant (Greece)

Management board of Public power corporation (PPC) decided to apply for license for construction of new combined cycle gas turbine (CCGT), 400 MW, thermal power plant (TPP) in Megalopolis. The tender for new TPP should be launched in 2007th.

The new TPP, that will be replacement capacity for two older 250 MW coal fired TPPs, should be put in operation in 2011th.

PPC has already announced participation in the tender for construction of TPP in Aliveri (370-420 MW) and plans for construction of new 400 MW lignite fired TPP in Western Macedonia (in 2012-2103).

Aforementioned projects are the part of PPC's 1,600 MW replacement program.

In the same time, PPC as the one of the largest polluters among European power producers, has been trying to reduce the coal dependency and to increase the share of renewable sources in electricity production.

§ § §

Metka company signed cooperation contract with Alstom (Greece)

The companies Metka, the part of Mytilineos Group, and French Alstom, have signed agreement on strategic partnership in the beginning of October. The agreement was signed by Alstom's chairman, and president of Mytilineos Holdings and president of Metka.

Two companies decided to cooperate in construction of new power plants and environmental projects. Also, companies will cooperate

in the area of supporting services for the power plants (e.g. renewal, overhaul...).

The agreement refers to cooperation in Southeastern Europe, i.e. in Cyprus, Albania, Bulgaria, FYROM, Serbia, Montenegro, Kosovo, Slovenia and Romania. The projects of the new power plants in Greece as well as the service projects related to the boilers and environmental equipment will be led by the Metka. On the other hand, Alstom will be leader in the projects concerning the gas turbines, steam turbines and generators.

Metka, with Alstom's assistance, will prepare future bids, where Metka will incorporate offers for installation of Alstom's equipment whenever is possible.

By the strategic agreement, two companies wanted to strengthen their position in Greece and in SE, where they will be able to provide complete projects for the construction of new, modern and environmentally sound power plants (gas fired, coal fired or fuel oil fired) and to provide maintenance services for power plants.

§ § §

14 companies interested for construction of 19 small HPPs (Macedonia)

Overall number of 14 companies has submitted bids in the tender for construction of 19 small hydropower plants (HPPs). The tender was recently launched by the government of Macedonia.

Government invited potential investors to submit bids for seven packages of HPPs on rivers Crni Drim, Konska Reka, Galicka Reka, Radika and Zajska Reka.

Austrian companies have submitted four bids; three bids were submitted by companies from Denmark, while the rest of 12 bids were submitted by nine local companies. The tender commission will reveal the names of the interested companies after opening the bids.

In Macedonia, there are some 400 suitable sites for construction of small HPPs, and estimates showed that electricity produced in those HPPs could be some 100 million euros worth.

Experts' analyses also showed that only 27 % of hydro potential in Macedonia has been utilized for the purposes of electricity production.

In the same time, tender procedure for construction of large HPPs Cebren and Galiste on river Crna Reka has been underway.

Experts believe that new HPPs, the small and large one, could eliminate Macedonia's dependency on import of electricity.

In this moment in Macedonia, overall power output in HPPs is 485 MW, which is 32 % of overall power output in the country of 1,485 MW.

On the other hand, some Macedonian experts called for investing in thermal power plant (TPP) Bitola (600 MW), the largest power producer in the country. They believe that TPPs are the core of every power system, and in the same time, expressed skepticism for rapid construction of small HPPs in Macedonia.

§ § §

Delays in tender for TPP Negotino (Macedonia)

Sources from government of Macedonia said that government would not sign the sale contract for fuel oil fired thermal power plant (TPP) Negotino (200 MW) due to low cash offer and unrealistic investment program offered.

The first ranked bidder in the tender (organized by former government) was the Austrian company EVN, which offered 4 million euros in cash and 757 million euros of investments for the TPP.

In the same time, government has not yet decided whether to launch new tender procedure, or just to adjust terms in current tender process. According to unofficial information, government plans to change the rating system in the tender, where highest score will be assigned to the best cash offer, instead to the best investment offer, as it was in original tender.

EVN waits for the government's decision, but also reminded to international standards. The Austrians did not want to comment whether they would submit offer in new tender process. EVN outbid Russian RAO EES, Canadian companies Hatch and Austrian Verbund. EVN offered to increase the power output of TPP Negotino from 200 MW up to 1,000 MW, which most experts in Macedonia also consider unrealistic.

It is estimated that altering the fuel oil fired to gas fired TPP would cost 150 to 200 million euros, for which natural gas network also need to be built.

In the last 15 years, TPP Negotino has been constantly producing electricity during only three years due to high price of fuel oil. TPP has been used as reserve capacity and it produced electricity only in case of serious shortage of electricity. This summer, TPP was leased by Hellenic transmission system operator (HTSO).

§ § §

Government lenient toward Silmak (Macedonia)

Macedonia's transmission system operator (MEPSO) decided to be lenient to the largest industrial customer in the country, the Silmak company.

Although MEPSO recently announced that Silmak would pay much higher price for electricity delivered, in the next six months, Silmak will pay 2.85 eurocents per kWh instead of 3 eurocents, the price that was set by Regulatory energy commission (REC) and which will be paid by other industrial customers.

According to old supply contract, which expired on September 30th, Silmak paid 2.2 eurocents per kWh of electrical energy, which was considerably lower comparing to prices that MEPSO paid for import of electricity. The new supply agreement signed between MEPSO and Silmak was presented to Regulatory energy commission.

Until the last moment, management of MEPSO claimed it would not allow discount for Silmak. MEPSO predetermined approval of new price for Silmak, with paying the 6 million euros debt for already delivered electrical energy.

Before reaching the final contract, MEPSO delivered only half of the necessary electricity to Silmak, which was justified by the maintenance of the interconnection power line toward Serbia.

The French owners of Silmak were obliged to pay power bills regularly until the end of the October and to pay some 50 % of 6 million euros debt toward MEPSO. The rest of the debt should be paid in monthly payments of 300,000 euros.

Silmak is the largest industrial customer in the country, with annual power consumption of 750 GWh. The company involved in ferro-silicon production, employees more than 1,000 people and it was considered as one of the most important companies in Macedonia. It is believed that government did not want to cause layoffs by setting too high price of electrical energy for the company. The experts said that government made a political compromise by allowing the below-market price for Silmak only.

The officials from Silmak claim that price of electricity comprise 50 % of final price of ferrosilicon of 650 euros per ton

§ § §

RWE and Slovenian HSE sign cooperation agreement, joint participation in a tender process for hydropower projects (Macedonia)

On October 11th in Essen, Slovenia's largest power producer, state-owned HSE d.o.o. and Germany's largest power producer, RWE Power AG, have signed a Memorandum of Understanding on the joint development of projects, especially in the area of electricity generation. The cooperation agreement initially focuses on projects in Macedonia and Slovenia.

In a first step, HSE and RWE Power have agreed jointly to express interest in the construction and accordingly operation of three large hydropower projects in Macedonia. "HSE is a partner with a very good reputation in the whole region. We are convinced that the agreed cooperation will be to the benefit of both parties. It is the aim of RWE to build up a balanced portfolio of power production and electricity distribution in the region", said Jan Zilius, CEO of RWE Power.

The Austrian utility ELAG will also benefit from the agreed cooperation between HSE and RWE. KELAG is a minority shareholding of RWE Energy AG and has extensive experience in the hydropower business. Therefore, KELAG engineers will be involved in the development of the projects for Macedonia.

RWE Power is the largest German electricity generator and is responsible for the Continental European power generation activities for the RWE Group in Germany and Central and Eastern Europe as well as RWE Dea's gas and oil production. RWE Power's portfolio is based on a broad mix of energy sources: Lignite from the Rhinish open cast mines and nuclear energy for base load, hard coal, gas and renewable energies such as water, wind and biomass for mid- and peak load. RWE Power and its subsidiaries employ more than 18.000 people in Germany as well as abroad.

HSE is the largest Slovenian electricity generator and operates a power plant portfolio with about 1.900 MW installed capacity, mainly lignite and hydropower. HSE employs a workforce of around 4.900 people.

§ § §

MEPSO launched new tender for import of electricity (Macedonia)

Macedonia's transmission system operator has announced new tender for import of additional 1 TWh of electrical energy for the pe-

riod December this year until May 1st next year. It is estimated that MEPSO would pay between 50 to 70 million euros for the imported electricity.

The electricity import in December should reach 151 GWh, and in the first four months next year, 806 GWh. The tender procedure will be divided in two parts, where tender procedure for import of electricity in December, should be finished by the end of November, and the tender procedure for the first four months next year should be finished by the end of the year.

Head of MEPSO fears that requested amount of electricity would be hardly imported in full, so that government has been considering putting the thermal power plant Negotino service. The main problem with TPP Negotino is the fact that TPP has been in the middle of privatization procedure.

It is expected that high import prices would mean higher prices for end customers. Macedonia has been importing some 30 % of its electrical energy needs.

§ § §

Five small sized HPPs for sale (Montenegro)

The shareholders of Power utility of Montenegro (EPCG) decided to offer for sale five small size hydropower plants (HPPs). After this decision, tender for sale of HPPs should be launched.

The official data presented at shareholders' assembly showed that bookkeeping value of the HPPs Rijeka Musovica (annual production of 3.5 GWh), Rijeka Crnojevica (0.8 GWh), Podgor (0.65 GWh), Savnik (0.5 GWh) and Lijeva Rijeka (0.06 GWh) is 1.48 million euros. Experts estimated that 905,000 euros needed to be invested in renewal of those HPPs.

According to production plan for this year, overall power production of abovementioned HPPs should be 7 GWh, which is 0.23 % of overall annual power production in the country. It is estimated that overall annual operational costs for five HPPs are 65,000 euros.

General manager of EPCG said that privatization incomes from five HPPs would be invested in two small HPPs, the Glava Zete and Slap, that will remain the property of EPCG. The HPP Glava Zete is the largest of small HPPs and produces 90 % of overall power production in small HPPs.

It is expected that government will guarantee fixed sale price of electricity, where sources suggested that the sale price should be 7 eurocents per kWh.

Minority shareholders were unsatisfied with the insight to the privatization of EPCG led by the government.

Head of EPCG confirmed that restructuring of EPCG has been in progress, having in mind that functional division Transmission would be separated into independent company, while government still has not decided what to do with functional divisions Production and Distribution. The main question is whether to separate legally Production and Distribution divisions.

General manager of EPCG reminded that privatization of thermal power plant Pljevlja was near to end. He confirmed that investors from Norway and Slovenia have expressed interest for small HPPs as well for construction of large HPPs on river Komarnica.

Holding of Slovenian power plant (HSE) and Norwegian company NTE are the most serious candidates in the tender for sale of five small hydropower plant (HPPs), Montenegro media reported.

HSE is willing to buy small HPPs, while NTE prefers option for 30-year lease, sources say.

In the beginning of last year, NTE has sent a letter of intention to Montenegro government regarding privatization or lease of three out of five small HPPs. In the same time, NTE was interested for construction of several other small HPPs, sources said.

In the same time, government confirmed that foreign and domestic investors have submitted seven requests for construction of small HPPs. Among them, requests were submitted by HSE and NTE.

According to recently adopted Strategy for construction of small HPPs, there is 70 suitable construction sites. Government should launch very soon tender for construction of 15 HPPs.

§ § §

Production results of TPP Pljevlja satisfactory (Montenegro)

Thermal power plant (TPP) Pljevalja has produced 791 GWh of electrical energy in the first nine months of 2006th, which is only 1 % below planned amount of 800 GWh.

In the beginning of October, coal reserves at the TPP reached 25,000 tons.

Along with regular coal delivery, the reserves will be sufficient for uninterrupted coal production until October 15th, when TPP will start regular 15-day overhaul. TPP should be prepared for winter season during the standstill.

Management of TPP expects that annual production plan of over 1 TWh will be achieved.

§ § §

Announcement of strong measures against the theft of electricity (Montenegro)

According to latest data, annual Montenegro's electrical energy losses in distribution power network are 750 GWh or 1/3 of overall electrical energy consumption in distribution network. The loss is estimated at 60 million euros.

Out of this amount, 20 million euros (250 GWh) is related to technical losses, while 40 million euros (500 GWh) of losses are related to the non-technical or commercial losses caused by unauthorized consumption.

Head of functional division Distribution in Power utility of Montenegro (EPCG) said that Montenegro's annual power consumption was 4.5 TWh, out of which 2.25 TWh is spent by customers in power distribution network.

Due to high level of losses, EPCG has initiated several actions in order to reduce non-technical losses down to 10 to 12 % of overall consumption until 2010th.

Coordinator of work group for reduction of losses said that actions would have three phases. During the first phase, all customers will have right to report any kind of irregularities related to the electric-

ity meters, which will be repaired free of charge. During the second phase, EPCG will increase investments in power network, while the final phase implies implementation of modern technologies in power network.

Due to initiated action for reduction of losses and customers who have been paying its bills regularly, head of EPCG announced that national power company would temporarily withdrawn its request for increase in electricity prices. EPCG requested from Regulatory energy agency increase starting from January 1st next year.

It implies that next increase in electricity prices could happen in March next year, at the earliest.

During eight months this year, authorities have registered 1,000 of unauthorized customers, (which spend 47 GWh), out of which only one was sentenced.

§ § §

Statkraft presented new demands or construction of new HPPs (Montenegro)

Norwegian power producer Statkraft has demanded from government of Montenegro to increase the concession period for usage of new hydropower plants (HPPs) from 30 up to 99 years.

According to sources, Statkraft's participation in the projects for construction of large HPPs depends on the government's answer. Currently, Norwegians and Foreign investment agency (MIPA) have been jointly preparing feasibility study on new energy sources in the Montenegro.

MIPA's officials confirmed that Statkraft was interested in green field investment for construction of HPPs on Moraca River, if the concession period was prolonged up to 99 years, while another Norwegian company (NTE) has expressed interest for construction of small HPPs.

It is expected that new government of Montenegro would in the nearest future vote new Law on concessions, which is prerequisite for start of new projects.

Some media in Montenegro have earlier reported that Statkraft was interested for construction of cascade of four HPPs on Moraca River. The worth of the project is estimated at 400 million euros and it should be carried out in the six-year period.

§ § §

Last three state-owned branches of Electrica to be privatized separately (Romania)

Minister of economy and commerce has confirmed that government had decided to privatize last three state-owned branched of power distribution company Electrica through separate privatization procedures. The latest announcement denied rumors that three branched would be sold through single privatization procedure.

After recommendation of privatization advisor, the Rothschild financial group, government decided to sell 34 to 35 % shares in Electrica Muntenia Nord, Electrica Transilvania Nord and Electrica Transilvania Sud.

Future investor should acquire 51 % stake in the companies through capital stake increase.

Nevertheless, privatization procedures of three companies should be carried out simultaneously, where all companies should be privatized in 2007th. Sources suggested that government did not speed up procedure for sale of power distributors before the announced accession of Romania in EU, where more investors are expected to get interested for the privatization.

Three power distributors have overall share of some 33 % in Romanian electricity distribution market. Electrica Muntenia Nord serves 1.16 million customers, Electrica Transilvania Nord 1.09 millions, while Electrica Transilvania Sud serves 1.03 million customers.

In 2005th, Transilvania Sud reported 10 % increase in incomes, up to 315 million euros, where net profit stood at 27 million euros. In 2004th, company has reported 1.5 million euros of losses. According to latest data, three companies have reported 508 million euros of overall incomes in the first quarter of 2006th, where gross profit was 9.6 million euros.

In 2004th and 2005th, the state of Romania has sold five branches of Electrica. Enel has purchased Electrica Banat, Electrica Dobrogea and Electrica Muntenia Sud, CEZ purchased Electrica Oltenia and E.ON is the new owner of Electrica Molodva.

§ § §

Final sale contract for Electrica Muntenia Sud by the end of year, announcement for privatization of Turceni and Rovinari (Romania)

Minister of economy and commerce announced that final privatization contract for sale of Electrica Muntenia Sud to Italian Enel would be signed by the end of 2006th, after government and parliament approved the sale contract. The worth of the transaction is 820 million euros.

The contract should be presented to the public, apart from business plan, which would remain confidential.

Ministry should also initiate the privatization of power production complexes in Turceni and Rovinari by the end of the year.

Rovinari should be privatized by sale of 75 % of stake to the strategic investor, while Turceni power plant should be privatized through sale of minority stake and subsequent capital stake increase, so that future owner would control 51 % shares in the company.

§ § §

Electrica Muntenia Sud won in the electricity supply tender (Romania)

The power distributor, Electrica Muntenia Sud, was the first ranked bidder in electricity supply tender organized by Metrorex, the company that runs Bucharest metro.

Metrorex will pay 8.63 million euros for one-year supply contract to Electrica Muntenia Sud.

Two other bidders, the Electrica Dobrogea (owned by Enel) and Electrica Oltenia (owned by CEZ) have submitted offers of 8.22 million euros and 8.41 million euros, respectively. Despite the higher

price, the offer of Electrica Muntenia Sud was considered as the best having in mind that two other bidders did not submit all required tender papers on time.

§ § §

NPP Cernavoda shutdown due to fault (Romania)

Unit 1 (700 MW) in nuclear power plant (NPP) Cernavoda was shutdown by protection system of NPP due to equipment fault in the beginning of October.

Romanian media reported that there was no increase in gamma-background in the area, so that no emergency measures have been taken.

§ § §

Increase in heating prices for largest number of municipalities (Romania)

The National Energy Regulatory Authority (ANRE) approved the local reference for heating energy for 34 municipalities, where prices vary from 30.8 euros (the national reference price) to 61.2 euros per Gcal.

The highest local prices is proposed for city of Suceava of 61.2 euros per Gcal, while the prices in find Bucharest, Ploiesti and Drobeta Turnu Severin will remain equal to national reference price. The local authorities should scrutinize the proposed prices until the October 15th, when the final prices will be set.

In August this year, government has approved the introduction of new local reference prices instead of centralized national price in order to cover actual production costs.

The ANRE, National Regulatory Authority for Municipal Services (ANRSC) and local authorities have jointly set new heating prices.

ANRSC has earlier set the local heating prices in 68 municipalities, where proposed average price of 38.83 euros per Gcal is 11.24 % higher than the current average price of 34.9 euros. It is said that the state will cover maximum of 45 % of expenses of the heat power plants in the next four to five years, while local authorities will also subsidize 10 % of heating prices.

§ § §

Spot electrical energy transactions amounted to over 7 % of overall power consumption (Romania)

In 15 months of operation of electrical energy spot market managed by OPCOM, the overall worth of all transactions reached 184.7 million euros. The traded amount of electrical energy reached 4.53 TWh, which was more than 7 % of estimated net consumption in Romania in the same period, official data showed.

The average price of MWh was 38.11 euros, while maximum daily transactions volume of 945,000 euros was reported on September 28th.

§ § §

Storing the gas for the winter season (Romania)

Natural gas companies Distrigaz Sud and E.ON Gaz Romania announced to store 100 million cubic meters of natural gas each, where this amount of gas will be used as an emergency reserve during winter season 2006-2007.

The project is launched by ministry of economy and commerce. The gas reserves will be stored in period December 1st until March 1st.

The reserves will be used in period of cold temperatures or in case of reduced import of natural gas, where operator of natural gas transmission network, the Transgaz, will have access to reserves in order to provide stable operation of the system. The Distrigaz Sud and E.ON Gaz Romania will have priority for using reserves.

Romania's annual gas consumption reaches 18 billion cubic meters of gas, where 60 % comes from domestic production and the rest is imported from Russia.

§ § §

Competition council allowed erasure of 1 billion of debts of Termoelectrica (Romania)

The Competition council (CC) has authorized state of Romania to grant some 1 billion euros to power producer Termoelectrica. This state aid is intended to settle considerable debts of the company, which was the consequence of the social protection scheme in the past.

The settling the debt of Termoelectrica was seen as important issue for providing the services of general economic interest.

§ § §

Energy Holding won several contracts for power supply (Romania & Bulgaria)

Romanian electricity trading company Energy Holding (which was recently taken over by Swiss bank Societe Bancaire Prive (SPB)) has signed several power supply contracts with industrial customers in Bulgaria. The contracts have been signed just six months after the company officially opened its office in Bulgaria.

In this moment, Bulgaria has 20 eligible customers and 10 registered private electricity suppliers.

Energy Holding (EH) will supply with electrical energy several important companies from metallurgical industry, the pharmaceutical industry, the chemical industry, the paper and pulp industry. The estimated turnover of EH in the first year of operation in Bulgaria should reach 30 million euros.

The EH has also established its subsidiary in Serbia, the Energy Holding SR, by acquiring the electricity trade license. In the beginning, new company will participate in the tenders for interconnection capacities and later it will offer its services to industrial customers in Serbia. EH also plans to acquire electricity trade license in Greece.

§ § §

MoU between Srbijagas and Gazprom until end of October (Serbia)

Memorandum of understanding between government of Serbia and Russia, i.e. between Public gas company Srbijagas and Russian Gazprom should be signed until the end of October. This was confirmed by deputy ministry of energy of Serbia.

The foundation for continuation of cooperation is the interstate agreement signed by Federal Republic of Yugoslavia and Russian Federation in December 1996th.

By signing the MoU, Serbia wants to become regional energy hub, i.e. the hub for transport of natural gas from Russia.

The cooperation between two gas companies should refer to the extension of the Blue stream gas pipeline. The pipeline, which connects Russia and Turkey, should be extended across Bulgaria, Serbia, and Croatia and toward northern Italy.

In period of 45 days after signing MoU, special commission should prepare the agreements that will be mandatory for signatories and that will define obligations in the project. The project should be finished until 2010th, and new natural gas route should transport 20 billion cubic meters of gas per year

By this project, Serbia will provide another supply route (apart from Hungary) through construction of new pipeline Nis –Dimitrovgrad. Deputy energy minister also pointed out that Serbia could collect some 200 million euros per year through transit fees.

Gazprom should be the main investor and leader of the project, where strategic partner in Serbia will be Srbijagas.

The length of the natural gas pipeline in Serbia should be 400 km and it should connect city of Dimitrovgrad (on Bulgarian – Serbian border) and Croatian – Serbian border. The worth of the project is estimated at 1 billion dollars.

Commenting the delays in the construction of underground storage facility for natural gas in Banatski Dvor, deputy minister said that government has instructed heating companies to purchase sufficient quantities of fuel oil, which will be used as alternative fuel in case of lack of natural gas.

§ § §

Ban of import of oil derivatives to be cancelled (Serbia)

Government of Serbia has proposed changes in Law on customs that will cancel the old bylaw, which restricted import of oil derivatives for all oil companies in the country except for Oil industry of Serbia (NIS).

The draft law predicts liberalization of import of basic oil derivatives, where, in the next three years, VAT would be 30 and 18 %, which would be gradually reduced until 2010th.

30 % VAT will be applied for import of diesel, euro diesel and burning fuel oil, while 18 % of VAT will be applied for import of MBM fuel and fuel oil.

The government's official explained that old bylaw, which was voted in 2001st and which protected interests of NIS, would be harmful for NIS and customers in Serbia in long-term. New law must be approved by Serbian parliament.

Director of PR department of NIS commented that NIS would certainly be the most important player in oil market of Serbia even after cancellation of import ban.

§ § §

Publishing the privatization announcement for NIS (Serbia)

Privatization agency has announced public invitation for potential investors regarding privatization of Oil industry of Serbia (NIS). The invitation is aimed to find how many investors are interested in privatization of NIS.

PA said in the invitation that government has been offering for sale 25 % of shares in the NIS, which is involved in exploration, production, refinement, distribution and transport of oil and oil derivatives, and exploration and production of natural gas. The letter of intentions by potential investors should be submitted by the October 12th.

On December 31st 2005th, overall capital of NIS stood at 1.9 billion euros, out of which 1.27 billion euros was worth of material goods, and 634 million euros was trading capital. Overall financial obligations of the company reached 867.7 million euros, where short-term obligations stood at 634.5 million euros and the rest were long term obligations. The company operates two oil refineries and employees 13,200 workers.

NIS, reported 953.6 million euros of incomes and of 890.7 million euros of expenses in the second half of 2005th.

In the related news, privatization advisor of NIS have agreed on separation of the branch NIS-Liquefied petroleum gas (LPG) into separate company, deputy energy minister said. Advisor concluded that LPG is the business activity of insignificant worth for future NIS and direct competition of NIS, having in mind that higher consumption of LPG means lower sales of petrol and diesel.

According to the latest news, due to incoming referendum on new constitution of Serbia, privatization procedure of NIS most likely would be paused for the time being.

It means that tender for privatization of NIS would not be launched in October as it was expected. In that case, cancellation of ban of import of oil and oil derivatives for private oil companies in Serbia would be also delayed.

§ § §

New tariffs for usage of oil, gas and electrical energy transport networks (Serbia)

Council of Regulatory energy agency (REA) has approved new tariffs for access and usage of networks for transport of oil, natural gas and electrical energy. The proposal was presented to the government of Serbia, which should approve new tariffs.

By adoption of new tariffs, REA has entered final stage of adopting the legislation that will regulate energy prices in new manner. New tariff systems should be put in power starting from January 1st 2007th.

Before the adoption of tariff systems, REA has adopted new methodologies that determine the maximum allowed profit for afore-

mentioned energy business activities and input data for calculation of energy prices (oil, gas and electricity).

New tariffs means that qualified customers, for the first time, will be able to purchase energy products from different suppliers and to pay the transport fees at regulated and public prices. Also, new regulations are considered as the another step forward to liberalization of energy market.

In accordance to new tariffs and new methodologies, local energy companies should present price-list of its products and services in 2007th. The prices must be approved by REA and by the government.

§ § §

Resulting opinions about construction of TPP Kolubara B (Serbia)

Results of market research and questioning of potential investors, engaged consultant identified 16 major potential investors. Majority of these companies were not ready to continue construction on existing infrastructure, they prefer construction of new modern 700 MW unit with high efficiency on the same or nearby location. Besides this option there are opinions for construction of 2 X 350 MW units, but also as a new modern units.

In terms of coal supply there are two opinions. First is obtaining of concession, and second is realization of long term contract for coal supply. Second option is more certain.

Tender for construction of new TPP should be launched in several months, but before that legal environment has to be changed. Present legal environment is not suitable for creation of profitable company as joint venture of foreign company and domestic public utility company. Presently, if public utility company creates a new company that new company has a status of public enterprise also.

§ § §

Tender for TPP Kolubara B by the end of 2006th or in the beginning of 2007th, announcement of new projects (Serbia)

Director of the Department for investment and development of Power utility of Serbia (EPS) confirmed that Serbian power company would launch the tender for the construction of thermal power plant (TPP) Kolubara B (700 MW) by the end of the year or in the beginning of the next year. Director said this during the visit of German officials from ministry for international economic relations.

The TPP Kolubara B will be the first project where foreign strategic partner will finance the project and where it will become majority owner of the plant. Director said that 16 companies have expressed interest for the project, where four of them were from Germany.

Director also announced several other important projects for EPS in the nearest future.

EPS has been preparing a tender for construction of new CCGT combined heat and power plant (CHP) Novi Sad, for which 300 million euros should be invested. The privatization advisor, the consortium from Germany, should prepare the tender in the next year.

In the next three to four years, EPS will invest 55 million euros in the renewal of TPPs Nikola Tesla and Kostolac, where 36 million euros

will be loan by KfW Bank, 10 million euros will be granted by German government and 9 million euros will be invested by EPS itself.

The project refers to replacement of 16 coal mills in TPP Nikola Tesla, which will increase efficiency of the TPP by 2 to 3 %, and renewal of system for coal ash transport in TPP Kostolac. The renewal projects will have environmental significance having in mind future reduction of harmful gasses.

Tender for renewal of hydropower plant (HPP) Bajina Basta (360 MW) will be launched in mid November. The worth of the project is 50 million euros, where 30 million euros will be funded by KfW bank, and rest will be invested by EPS.

KfW will grant 46 million euro loan for environmental projects in EPS, while KfW also plans to offer 25 million euro loan for new mining equipment.

According the German state secretary of international economic relations, in the last six years, Germany has invested, through loans and donations, 223 million euros in energy projects in Serbia.

According long-term investment plans of EPS, until 2010th, 3.1 billion euros will be invested in various projects, where 1.4 billion euros will be provided by EPS.

The largest part of the investments is related to TPP Kolubara (700 million euros by strategic partner) and opening of new coalmine in Kolubara (250 million euros). In the same period, EPS plans to invest 500 million euros for environmental project, while until 2015th, 1.2 billion euros will be invested for environmental protection.

§ § §

PPC interested for lignite mine (Kosovo, Serbia)

Public power corporation (PPC) has confirmed its interest for acquisition of lignite mine Sibovc in Kosovo. The Sibovc mine is the one of the best mines in Kosovo with estimated reserves of 1 billion tons.

PPC has been looking for alternative sources of lignite having in mind undergoing liberalization of energy market in Greece, where PPC does not have exclusive right for lignite exploitation in the country anymore.

The non-biding, preliminary offers for the mine should be submitted by the October 31st. The worth of the privatization is estimated at 800 million euros.

Kosovo energy ministry announced long-term plans for development of lignite mines and implementation of latest technologies. Kosovo plans to build new power plants capable to supply domestic market and to export electricity in Southeastern Europe.

Ministry has already invited private investor interested in construction of new lignite fired thermal power plant (TPPs). The project was launched in August 2006th, and qualified bidders should be selected in the first quarter of 2007th.

§ § §

EPS announced results of tender for import of electrical energy (Serbia)

According to the results of the latest tender for import of electricity, Power utility of Serbia (EPS) will import 494.4 GWh in period from November 1st this year until the March 1st next year.

The tender was launched in August this year and the average price of imported electrical energy will be 48.2 euros per MWh.

Head of the Electricity trade department of EPS said that the best bids, among six companies, were submitted by Energy Holding (Romania), Atel (Switzerland) and Semptra (Great Britain). Apart from favorable prices, three companies have agreed that contractual amount could vary +/- 25 %, depending on winter consumption in Serbia.

§ § §

Structure of EPS's planned 3 billion € investments till 2010 (Serbia)

EPS's plan for investments of around 3 billion € till year 2010 is waiting to be adopted by government. Donations should participate with 42 million €, foreign loans with 275 million €, commercial loans with 250 million €, EPS's funds around 1.4 billion €, incomes from ecological taxes 100 million €, from connections to distribution network 60 million €, and investments of strategic partners 950 million € till 2010. Investments of strategic partners are mainly related to new project of TPP Kolubara B and reconstruction of CHP Novi Sad.

§ § §

Achieved electricity generation and consumption in Serbia (Serbia)

From January 1st till September 25th total consumption in Serbia was 29.4 TWh, i.e. 8.8% more than planned. In the same period power plants in Serbia produced 28.5 TWh, i.e. 7% more than planned initially. TPPs produced 16 TWh, i.e. 8.1% more than planned or 4% more than in the same period last year. HPPs with accumulations produced 2.1 TWh, i.e. 82% more than initially planned. Run of river HPPs produced 7.4 TWh, i.e. only 0.3% less than planned. Due to problems with gas prices and supply of heavy fuel oil, electricity generation in CHP plants has been lower for 82.7% than in year 2005 for the same period.

§ § §

Tenders:

Electricity

Company / organization: **EPS, Serbia**

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

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

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

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

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

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

Company / organization: **The Ministry of Energy and Mining – related Kosovo**

The development of a new lignite mining facility and associated new electric generating and transmission capacity and the rehabilitation of existing generators

Content: In accordance with the PISG's energy policy for Kosovo, MEM, on behalf of the PSC, is soliciting expressions of interest from qualified private investors in an energy development project (the "Project") that encompasses the following components:

- a) Construction of a new power plant 'Kosovo C' ("PPC") with an estimated installed capacity of up to 2100 MW and associated transmission capacity;
- b) The development of a new coal mine for existing generation units (Sibovc SW) and development of a new mine (the Sibovc mine) for PPC; and
- c) Rehabilitation of certain units of the existing power plant 'Kosovo A' ("PPA").

Deadline: October 31, 2006

Contact: Lagja Pejton, Tel: +381-38-200-213-34; Fax: +381-38-200-213-02; Email: Ilir.G.Rama@ks-gov.net; www. ks-gov.net/mem

Company / organization: **KESH, related Albania**

Purchasing of Box (casket) polyester for mono phase energy meters, and coaxial cable

Content: Albanian Power Corporation – KESH SH.a. With a fund of Euro 4 884 355 (Four million eight hundred eighty four thousands and three hundred fifty five) EUR, with all the fiscals liability, put at its disposal by its fund requests to realize the International Competitive Bidding for: "Purchasing of Box (casket) polyester for mono phase energy meters, and coaxial cable".

Lot 1: Box(casket) for mono phase energy meters: 60 000 pieces. Fund limit: 1 464 250 EUR

Lot 2: Coaxial cable, 2 000 km. Fund limit: 3 420 105 EUR.

Deadline: 21.11.2006, 15:00, local time

Contact: Procurement Directory, Blloku "Vasil Shanto" Tirane, Albania; Tel/Fax: +355 4 241 982

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

Timisoara District Heating - Works and Consultancy

Content: 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.

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:

- (a) supply and installation of gas turbine units;
- (b) procurement and implementation supervision;
- (c) corporate development programme (donor financed)

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

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

Company / organization:	RAE, related Greece
Evaluation of the Long Term Impact of Regulatory Policies by Developing an Integrated Energy-Economy-Environment Model for Greece	
Content:	<p>THE REGULATORY AUTHORITY FOR ENERGY (RAE) OF THE HELLENIC REPUBLIC launches an international Open Procedure Call for Tenders, for an estimated maximum budget of € 773.500 including all taxes and VAT, if applicable, with sealed Tenders and award criterion the economically advantageous tender, for the selection of a Contractor for the project «Evaluation of the Long Term Impact of Regulatory Policies by Developing an Integrated Energy-Economy-Environment Model for Greece».</p> <p>This project mainly aims to support the development of scenario projections of energy production, imports, conversion, consumption, and prices of energy, subject to a variety of assumptions regarding the input variables. These variables are among others macroeconomic and financial factors, world energy prices, resource availability and costs, environmental constraints, behavioral and technological choice criteria, technology characteristics, and demographics. Particularly, all these will be incorporated into an integrating system in order to produce an equilibrium solution for energy supply and demand in the Greek energy markets on an annual basis for a period of five to ten years.</p>
Deadline:	20 October 2006, at 11:00 hrs, local time
Contact:	Ms Nikoletta Tekirdagli, tel. 210-3727413.

Company / organization:	EAR, related Bulgaria
Supply of Mobile measuring laboratory and Equipment for the National Energy Information Centre	
Content:	<p>Lot 1 - Delivery, installation and commissioning of Technical equipment and Furniture for the National Energy Information Centre</p> <p>Lot 2 – Delivery, installation and commissioning of a Mobile Measuring Laboratory for Energy Efficiency and Renewable Energy Sources Audits, Assessments, Studies, Training and Promotion, equipped with portable instruments, computer software and hardware and training of the staff.</p>
Deadline:	November 2006, 15:00 local time.
Contact:	<p>Central Finance and Contracts Unit (CFCU), Ministry of Finance 102, G. S. Rakovski St., 1040 Sofia fax +359 2 9859 2773 e-mail: cfcu@minfin.bg</p>

Company / organization:	KEK, related Kosovo
Supply of Electrical Energy, for the period 1st January 2007 until 31st March 2008 .	
Content:	The - Kosovo Energy Corporation j.s.c. (KEK) is inviting companies to submit Bids for the supply of Electrical Energy, for the period 1st January 2007 until 31st March 2008
Deadline:	October 16th, 2006 at 14:00 hours, Kosovo time.

Contact: The tender documents are available on the KEK web-site <http://www.kek-energy.com/> or on request electronically from the following email address: sup_procure@kek-energy.com

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

Company / organization: EAR, related Romania

Construction of the overhead line 400 kV single circuit Arad – Nadab

Content: The activity of this project consists in procurement, installation, construction works, testing and putting into operation of the 400 kV single circuit overhead line Arad- Nadab. This project will enable to increase the transit capacity between Romania and Hungary and also to develop the safety of the system in Oradea area

Deadline: 27 October 2006, 10:00 hours, local time

Contact: Daniela Tala/loan Doniceanu
Central Finance and Contracts Unit (CFCU), Ministry of Public Finance
44 Mircea Voda Blvd., Entrance B, Bucharest 3, Romania
Phone: +40 21 326 55 55
Fax: +40 21 326 87 30

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

Power Transmission - Goods, works, services

Content: Natsionalna Elecktricheska Kompania (NEK) intends using the proceeds of a loan from the European Bank for Reconstruction and Development [the Bank] for a project to rehabilitate its transmission network, including development of their MIS system, construction of a HV line, reconstruction and extension of a 400 kV s/st, modernisation of SCADA/EMS systems and providing of metering, testing and data processing systems. The proposed project, which has a total estimated cost of EUR 20 million equivalent, will require the procurement of the following goods, works and services:

A.2.2. Construction of HV line 400 kV Zlatitsa - Plovdiv, and

Re-routing of existing 110 kV Lines.

Tendering for the above contracts is expected to begin in the fourth quarter 2005. The Bank financed packages will be procured as single-point responsibility supply-and-install contracts with fixed price).

Contracts to be financed with the proceeds of a loan from the Bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.

Deadline: 24 November 2006 at 23:00, Sofia time

Contact: Lubomir Velkov – Head of Investment division
Tel: +359 2 987 9154
Fax: +359 2 986 12 88

Company / organization:	KEK Energy – related Kosovo
Consulting services	
Content:	<p>Kosovo Energy Corporation j. s. c. (KEK) invites all interested companies to submit offers for Consulting Services:</p> <p>Technical assistance on tender documentary preparation, for the second system of wasteland, in the south-west mine in Sibovc.</p> <p>The deadline for submission of offers is: 13 November 2006, 14:00 hours, local time.</p> <p>The site visit to the second system of wasteland in the south-west mine in Sibovc, is desirable, and it is estimated to take place from 11-13 of October 2006, from 11:00 to 13:00 hours, local time.</p> <p>The offers should be sent in sealed envelopes, stating clearly: "Offer for technical assistance on tender documentary preparation for the second system of wasteland in the south-west mine in Sibovc", to the address of the Contracting Authority: "Kosovo Energy Corporation j. s. c. Str. "Nena Tereze", no. 36, 10000, Prishtina, Kosovo.</p> <p>Tender security: 12,000.00 €</p>
Deadline:	13 November 2006, 14:30 hours, local time
Contact:	cpd_procure@kek-energy.com

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 Electricare 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:	<p>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</p>

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Coal

Company / organization:	EAR, related Kosovo
Tender preparation for Rehabilitation of Coal System for the new Sibovc south west mine in KEK	
Content:	<p>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.</p> <p>It is foreseen that the works contract is prepared under the "Plant and Design-Build" FIDIC Conditions of contract.</p> <p>Maximum budget 400,000 EUR</p>
Deadline:	6 December 2006 at 17.00, CET.
Contact:	<p>The European Agency for Reconstruction Procurement Section Attn: Head of Procurement Section 1 Kosova street, Pristina, Kosovo – UNMIK Tel: +381 38 51 31 200</p>

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

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