

Contact:

Balkan Energy News office
www.NEWS.BalkanEnergy.com
news@balkanenergy.com

Subscriptions & info:
news@balkanenergy.com
www.news.balkanenergy.com/request.php
+381 64 820 90 31

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In this issue:**Analysis:**

- » Comparing of energy situation in first part of 2007 and in previous years in Southeast Europe

News headlines**Region:**

- » Proposal for regional power exchange
- » Russia set the new conditions for Bourgas- Alexandropoulos oil pipeline

Albania:

- » Government approved installation of mobile TPPs and restart of TPP Fier
- » Energo Gora to invest 90 million euros in energy sector
- » Patton Boggs starts consultancy regarding ARMO privatization
- » 970 million euros to be invested in energy sector
- » Prime minister approved increase in electricity prices in the next year

- » ASG announced to build power cable toward Italy

Bosnia and Herzegovina:

- » Oil refinery in Brod halved business losses
- » Government initiated talks for construction of HPPs on Vrbas River
- » EP BiH the largest company in the country
- » Energoinvest and Danish EWB to build wind farms
- » Government did not approve increase in electricity prices, dismissals of the management of ERS
- » Seven small HPPs to be built on Bosnia River
- » Import of electricity increased

Bulgaria:

- » Customers owe some 100 million euros to Sofia heating company, customers surprised by high heating bills
- » Unit 5 in NPP Kozloduy put in service after maintenance
- » CEZ to merge three power companies, 25.5 million euros owed by the customers
- » E.ON ready to buyout remaining state-owned shares in electricity distributors
- » HSE acquired CHP Rousse

Croatia:

- » 53 % reduction in half-year profit for INA
- » Claus facility in Sisak refinery to be operational in September
- » Construction of TPPs priority for HEP

Greece:

- » PPC separated RES department
- » 4.3 % increase in profit for PPC
- » New government to decide on PPC's strategy
- » Government granted license for power plant in Rhodes

Macedonia:

- » New director of MEPSO appointed
- » Delivering the water for electricity production to Albania
- » Government rejected appeal of Sencap

Montenegro:

- » 80 million euros for additional electricity export because of drought
- » EPCG, NTE and Statkraft to negotiate on joint venture
- » Government's estimations on oil and gas reserves in Adriatic quite

opposite to those made by Hellenic Petroleum

- » TPP Pljevlja to be put in service in the beginning of September

Romania:

- » CEZ selected as a qualified bidder for upgrade of TPP Galati
- » Kazakhstan's KazMunayGas purchased 75% of shares in Rompetrol Group
- » Transelectrica to invest 2 billion euros in period 2007-2020
- » Unit 2 in NPP Cernavoda increased power output at 50 %
- » 38 % reduction in profit for Petrom

Serbia:

- » Electricity prices not to increase from September
- » EPS to invest 380 million euros in 2007th
- » Continuation of negotiations with Gazprom
- » Electricity import starts on September 1st
- » Customers in the largest cities owe 185 million euros for electricity

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

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Serbia, Slovenia, Turkey

Balkan Energy NEWS publication

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

On our website, you can find FREE SAMPLE issues and easily request FREE TRIAL issue.

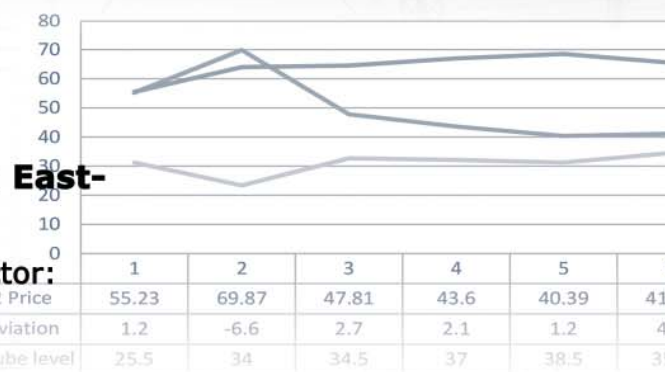
The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system operators, authorities, etc.

1022	Slovenia	2008	10344	10344	944	978	528	1038
1134		2010	12287	1089	991	1054	941	
1077		2011	12590	955	1051	1127	997	

OPCOM

Annual electricity consumption in GWh

	12		Year	Sum	1	2	3	4
116	1120		2007	11182	1027	891	953	850
95	1089		2008	11570	1094	998	1012	911
61	1054	Bosnia and Herzegovina	2009	10994	1099	932	963	818
000	1156		2010	11722	1074	979	1016	910
86	1157		2011	12186	1155	1038	1075	938
05	1159		2008	34506	3229	3299	2980	2637
87	3307	Bulgaria	2009	32722	3051	3051	3196	2636
70	3185		2010	31954	3486	3052	3021	2443
647	3257		2011	33452	3475	3107	3097	2577
15	3167		2008	17842	1680	1543	1570	1555
63	1640	Croatia	2009	17507	1625	1530	1551	1323
77	1648		2010	17507	1625	1536	1568	1358
53	1641		2011	17507	1625	1536	1552	1358
171	1641		2008	53306	4915	4539	4269	4105
439	4521	Greece	2009	53504	4852	4271	4401	3894
311	4521		2010	53565	4666	4107	4327	3913
194	4521		2011	53565	4666	4107	4327	3865
073	4521		2008	7576	853	848	704	664
352	4521	Montenegro	2009	7576	853	848	704	664
44	4521		2010	7576	853	848	704	664
10	4521		2011	7576	853	848	704	664
94	4521		2008	54137	4732	4418	4680	4080
38	4521	Romania	2009	50636	4736	4288	4473	3803
57	4521		2010	53365	4732	4478	4727	4396
913	4521		2011	53365	4732	4478	4727	4396
325	4521		2008	54137	4732	4418	4680	4080
164	4791		2009	50636	4736	4288	4473	3803
592	5144		2010	53365	4732	4478	4727	4396
000	5144		2011	53365	4732	4478	4727	4396



Country Reports on Energy Business in South Eastern Europe

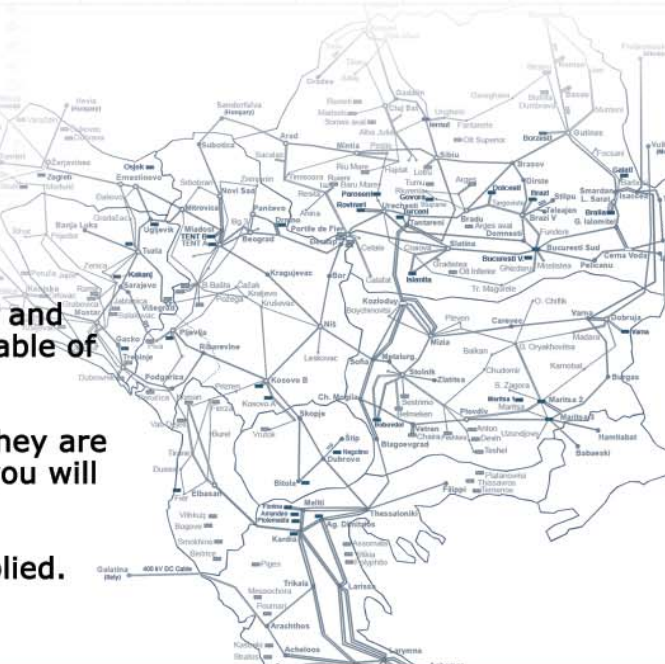
Country reports provide detailed overview of energy sector:

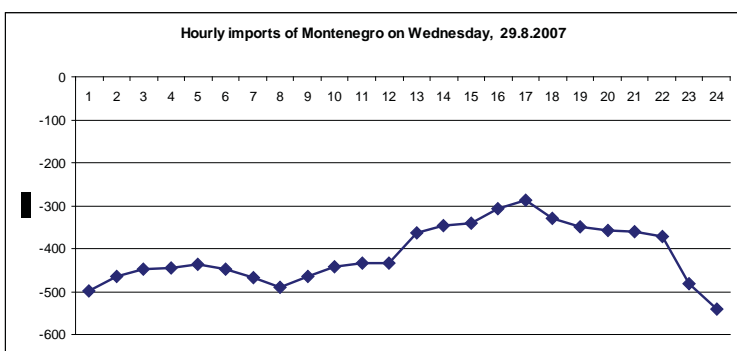
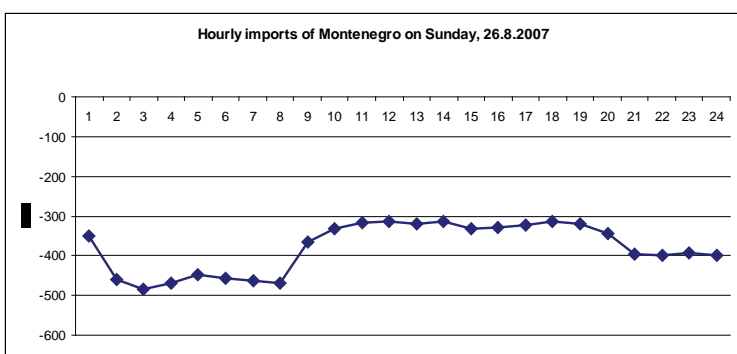
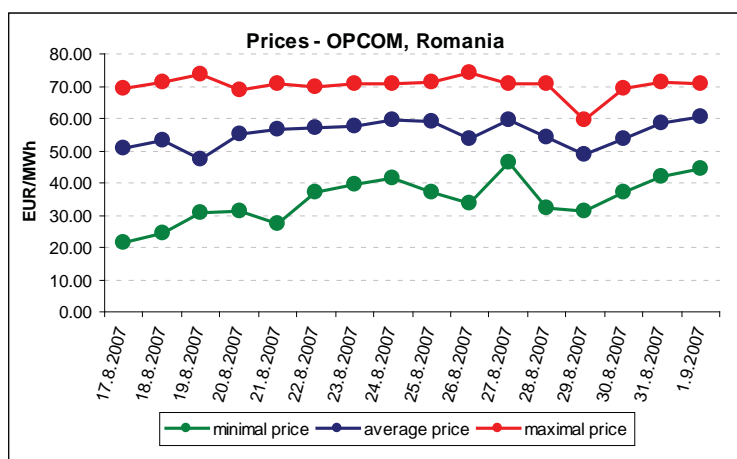
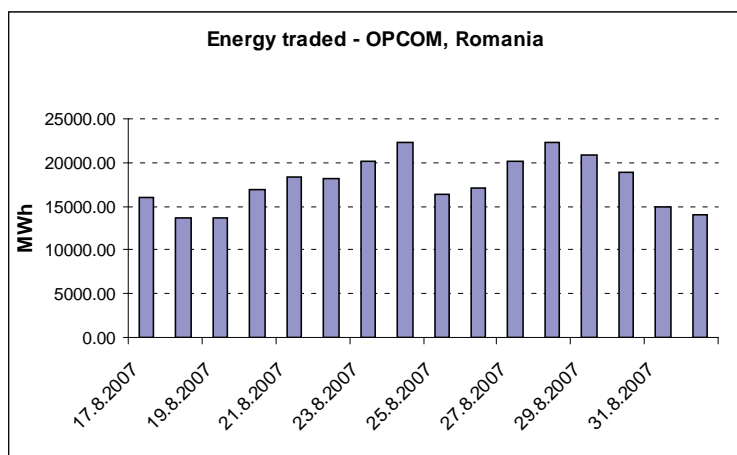
- Overview of the electricity market,
- Consumption, production and export characteristics
- Actualities - hot topics
- Key market players,
- Legislation and electricity market opening
- Electricity prices and tariffs,
- Potentials for investments in power generation,
- Privatizations in power industry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

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

Price of individual reports is 490 EUR per country, and they are updated every three months. For each ordered report, you will receive updates during one year period, free of charge.

For ordering all of the reports, 20% discount will be applied.



Power exchanges data:

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

In the period from 16.8.2007 till 31.8.2007:
Montenegro maximum daily consumption: 13.59 GWh
Montenegro maximal hourly consumption: 670 MWh

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	676.911	58.59
2	642.359	57.06
3	695.023	57.06
4	739.064	57.06
5	742.349	57.06
6	747.962	57.06
7	757.211	53.99
8	664.587	33.74
9	714.977	36.81
10	718.610	36.81
11	734.135	50.65
12	769.524	55.22
13	804.653	52.15
14	798.361	52.18
15	733.387	39.88
16	750.329	53.62
17	727.898	55.22
18	700.879	55.22
19	713.945	55.22
20	688.945	55.52
21	634.038	58.59
22	555.161	73.93
23	638.920	70.95
24	755.485	59.82
Total	17,104.713	

Opcom, Romania: Energy Traded on Sunday, August 26, 2007

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	960.220	46.47
2	1031.419	41.55
3	1068.256	40.32
4	1062.014	40.01
5	1041.634	40.01
6	890.582	31.39
7	886.261	36.93
8	812.121	36.93
9	819.235	43.09
10	849.861	55.24
11	833.883	57.24
12	795.723	58.78
13	787.323	58.78
14	765.957	59.40
15	785.012	58.48
16	819.597	57.24
17	860.859	55.40
18	819.551	54.78
19	785.515	46.17
20	790.652	46.17
21	774.455	46.17
22	793.305	58.48
23	859.027	57.24
24	951.544	55.09
Total	20,844.006	

Opcom, Romania: Energy Traded on Wednesday, August 29, 2007

Auction rules for the allocation of capacities

The State Energy and Water Regulatory Commission (SEWRC) at its Meeting on August 09, 2007, Minutes № 158 adopted "Auction rules for the allocation of capacities on the interconnection between the control area of ELECTRICITY SYSTEM OPERATOR (ESO) and its neighbouring control areas for the Year to 2007".

<http://www.tso.bg/default.aspx/interchanges/en>

Weather conditions

	2.09.	3.09.	4.09.	5.09.	6.09.
Albania <i>Tirana</i>	T: 12-27 W: N 19 R: -	T: 12-28 W: N 17 R: -	T: 11-30 W: N 17 R: -	T: 13-28 W: NE 14 R: -	T: 13-30 W: N 8 R: -
Bosnia and Herzegovina <i>Sarajevo</i>	T: 7-18 W: N 9 R: -	T: 7-21 W: N 4 R: -	T: 6-21 W: NE 4 R: -	T: 8-26 W: - R: -	T: 7-26 W: - R: -
Bulgaria <i>Sofia</i>	T: 11-16 W: NE 8 R: -	T: 11-18 W: N 12 R: 3	T: 10-23 W: NW 14 R: -	T: 8-20 W: N 6 R: -	T: 8-22 W: L-V R: -
Croatia <i>Zagreb</i>	T: 12-20 W: N 4 R: -	T: 12-25 W: - R: -	T: 13-25 W: L-V R: -	T: 13-30 W: L-V R: -	T: 13-27 W: NE 6 R: -
Greece <i>Athens</i>	T: 22-30 W: N 30 R: -	T: 20-29 W: NW 16 R: -	T: 20-28 W: NW 9 R: -	T: 20-29 W: N 17 R: -	T: 19-30 W: NW 19 R: -
Macedonia <i>Skopje</i>	T: 5-17 W: NE 17 R: 1.5	T: 6-22 W: N 14 R: -	T: 7-24 W: N 12 R: -	T: 6-22 W: NE 8 R: -	T: 8-25 W: L-V R: -
Montenegro <i>Podgorica</i>	T: 16-28 W: NE 20 R: -	T: 15-28 W: N 16 R: -	T: 16-28 W: NE 16 R: -	T: 16-30 W: NE 12 R: -	T: 16-31 W: N 6 R: -
Romania <i>Bucharest</i>	T: 17-26 W: NE 6 R: -	T: 16-27 W: N 9 R: -	T: 16-30 W: NW 11 R: -	T: 14-28 W: L-V R: -	T: 14-31 W: L-V R: -
Serbia <i>Belgrade</i>	T: 12-23 W: N 16 R: -	T: 12-23 W: NW 12 R: -	T: 13-24 W: NW 16 R: -	T: 13-26 W: NW 6 R: -	T: 15-30 W: NE 8 R: -

Average weather conditions for September

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Bosnia and Herzegovina <i>Sarajevo</i>	9.7	22.0	70.0	8.0
Bulgaria <i>Sofia</i>	10.4	22.6	38.0	7.0
Croatia <i>Zagreb</i>	10.4	22.3	82.7	9.8
Greece <i>Athens</i>	17.3	29.2	13.9	3.3
Macedonia <i>Skopje</i>	11.4	26.1	36.0	6.0
Montenegro <i>Podgorica</i>	16.5	27.3	121.0	6.0
Romania <i>Bucharest</i>	11.1	24.6	42.0	5.0
Serbia <i>Belgrade</i>	13.0	23.7	51.0	9.0

T: Ts in Celsius degrees.

W: Ws in km/h, S – South, W – West, N – North, E – East and variables; L-V – light and variable

R: Rain in mm

Danube water-level

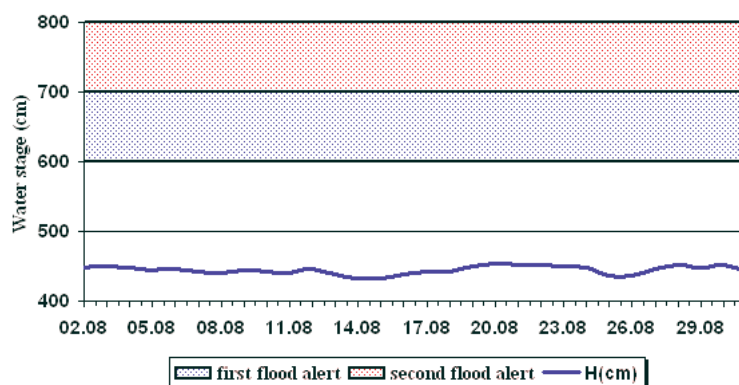
relevant for:

HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia



Analysis:

Comparing of energy situation in first part of 2007 and in previous years in Southeast Europe

For the purpose of planning of energy business in 2008 and for the purpose of estimation of future trends in energy situation in Southeast Europe (SEE), comparing of 2007 to previous years can be very useful. Major factors that determined first part of 2007 are closure of 880 MW reactor in NPP Kozloduy in Bulgaria and very bad hydrological situation all over the region.

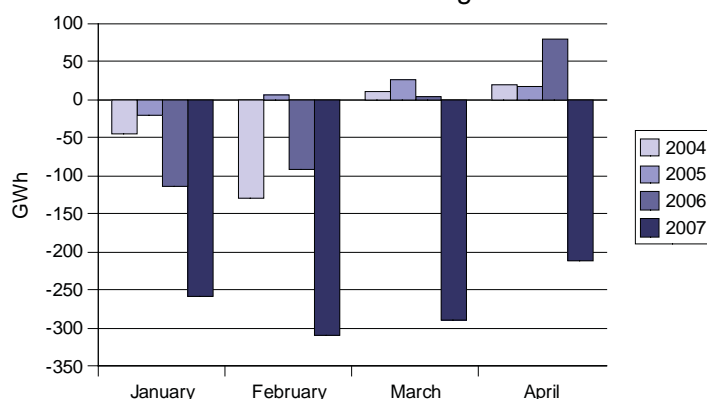
Major characteristics are:

All countries had lower consumption in the first part of 2007 than usually in previous years due to lower temperatures in first part of the year

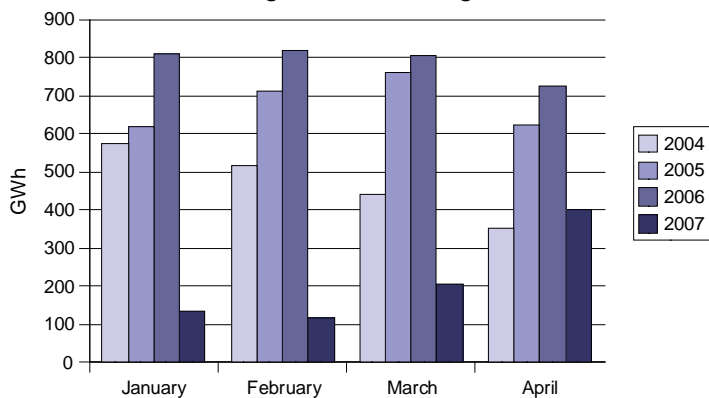
All countries had bad hydrology in the first part of 2007 and there fore much lower hydro generation than in previous years. Because of that Albania had significantly higher imports then in previous years.

Bulgaria had significantly lower thermal generation due to closure of 880 WM reactor in NPP Kozloduy. But still Bulgaria kept its position as exporting country.

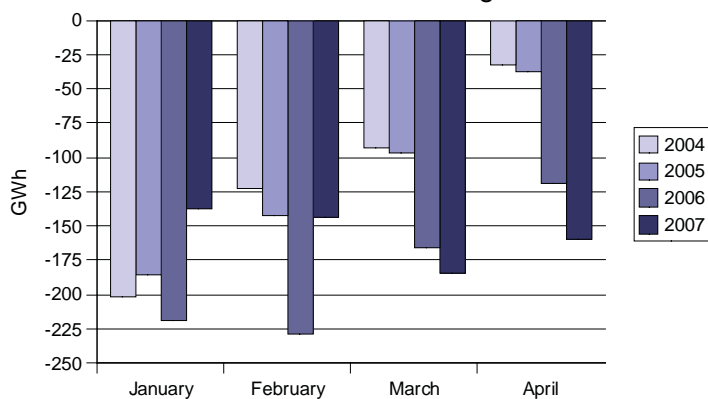
Albania - Exchanges



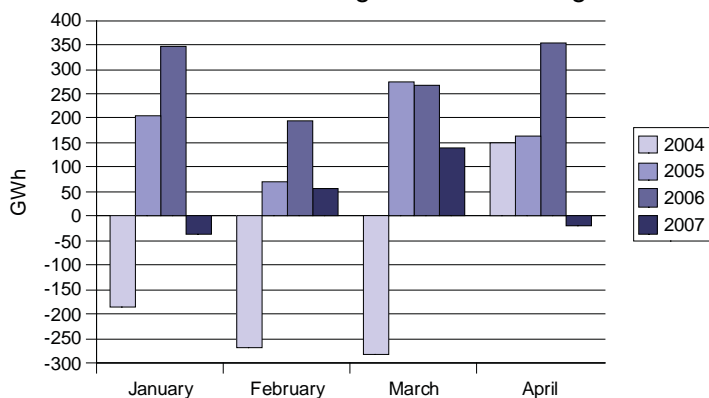
Bulgaria - Exchanges



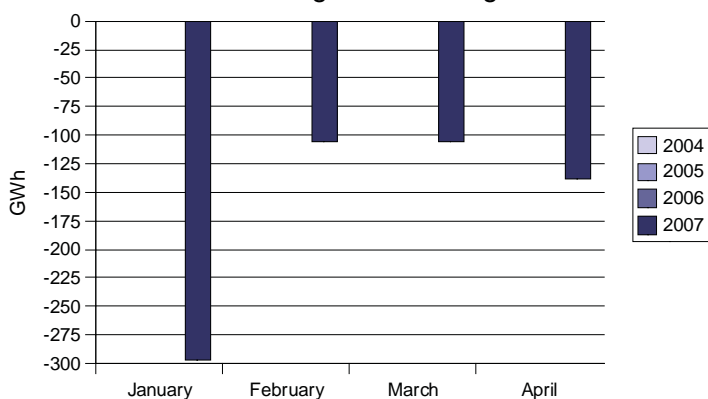
Macedonia - Exchanges



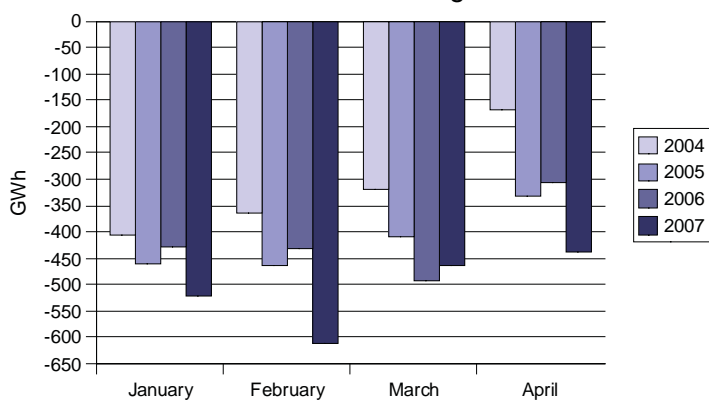
Bosnia and Herzegovina - Exchanges



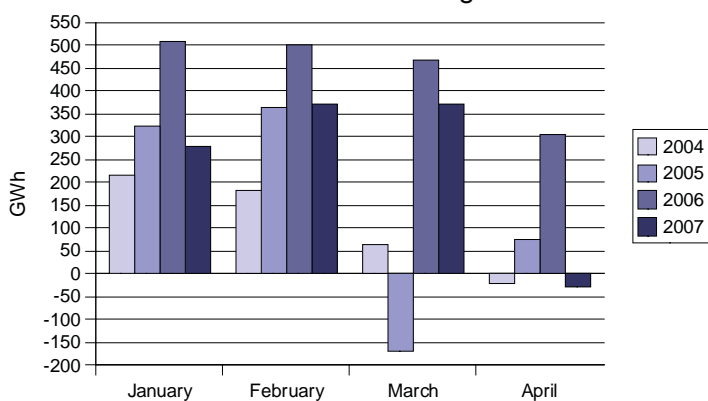
Montenegro - Exchanges



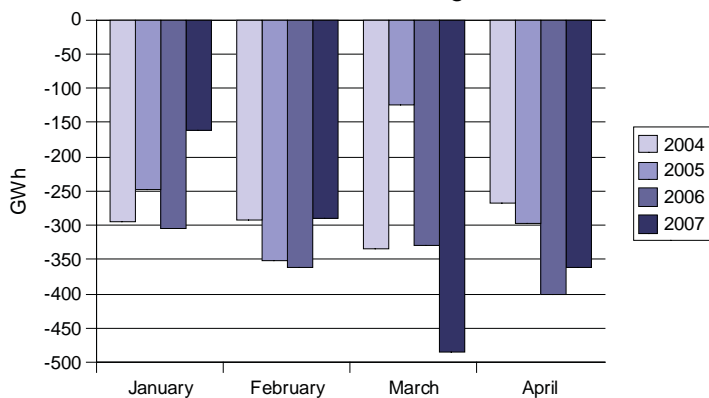
Croatia - Exchanges



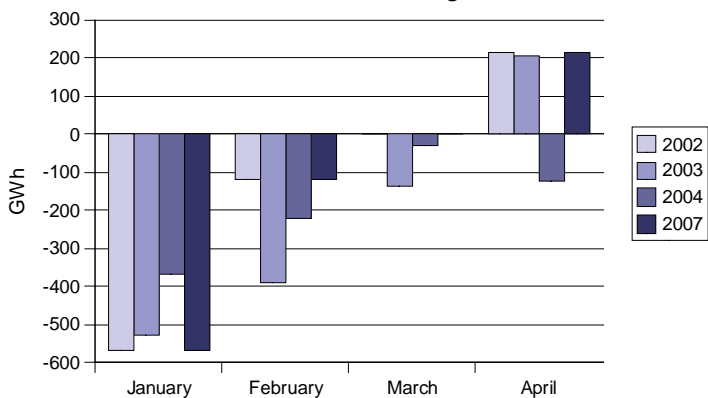
Romania - Exchanges



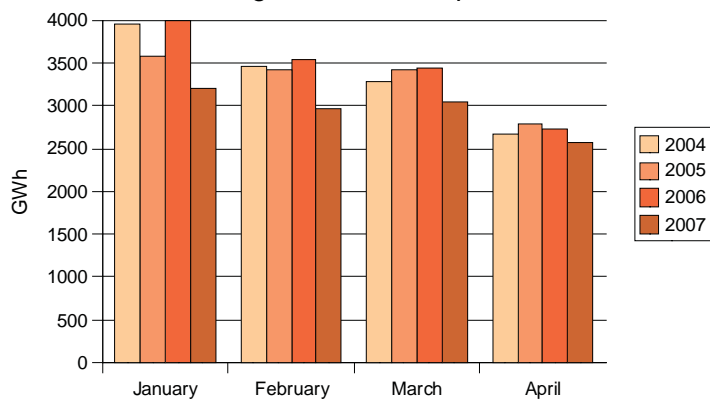
Greece - Exchanges



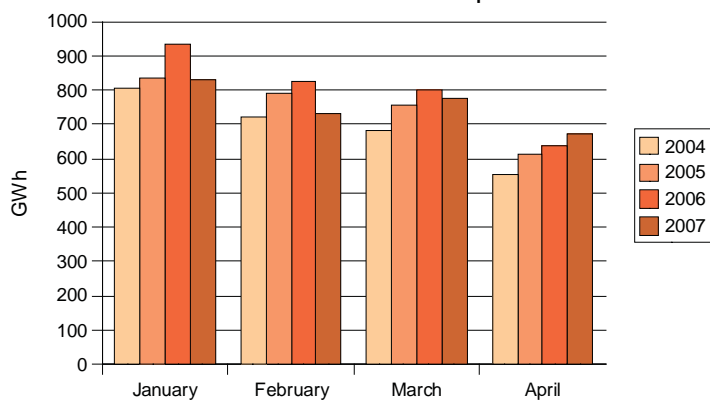
Serbia - Exchanges



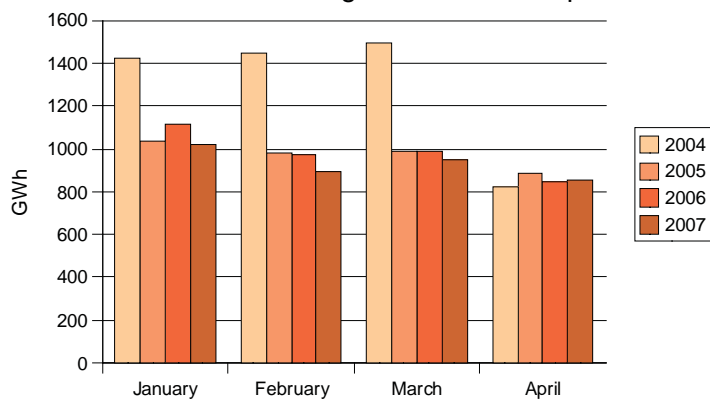
Bulgaria - Consumption



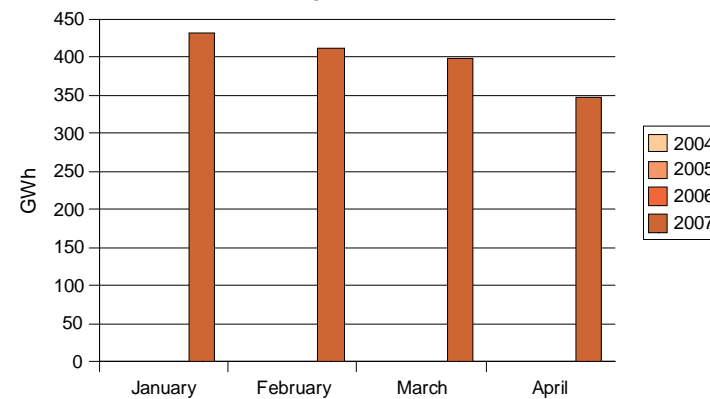
Macedonia - Consumption



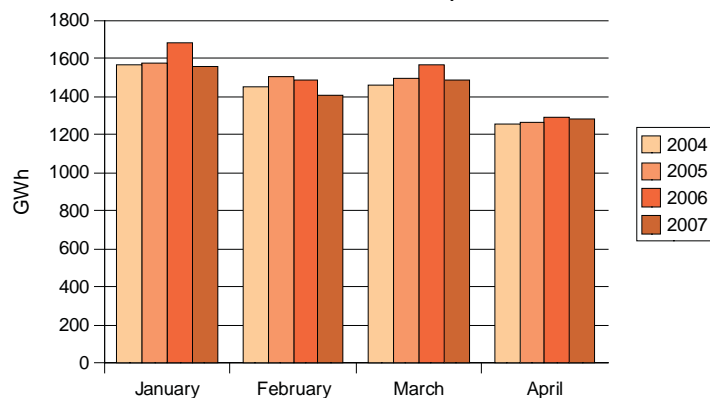
Bosnia and Herzegovina - Consumption



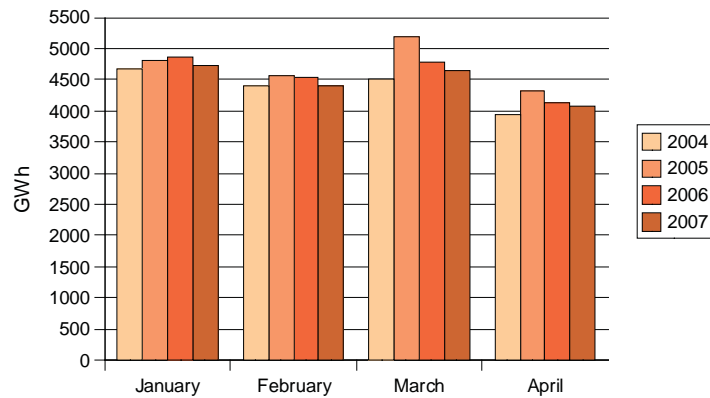
Montenegro - Consumption



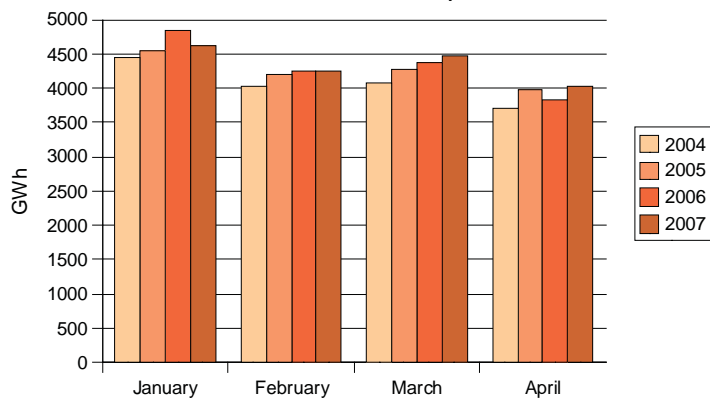
Croatia - Consumption



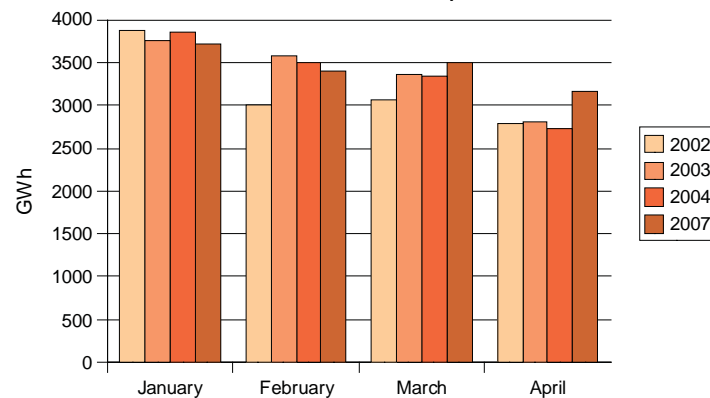
Romania - Consumption



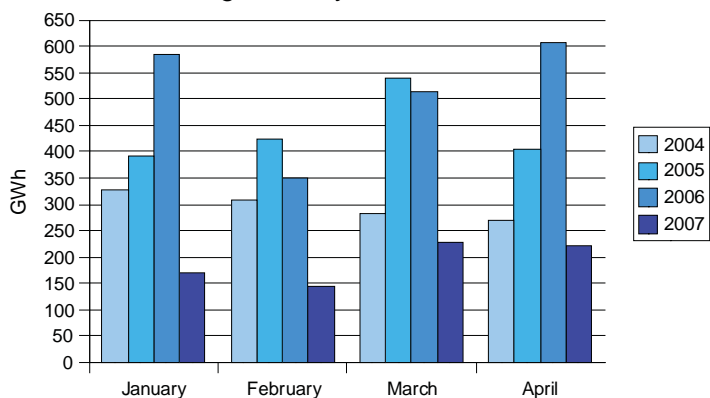
Greece - Consumption



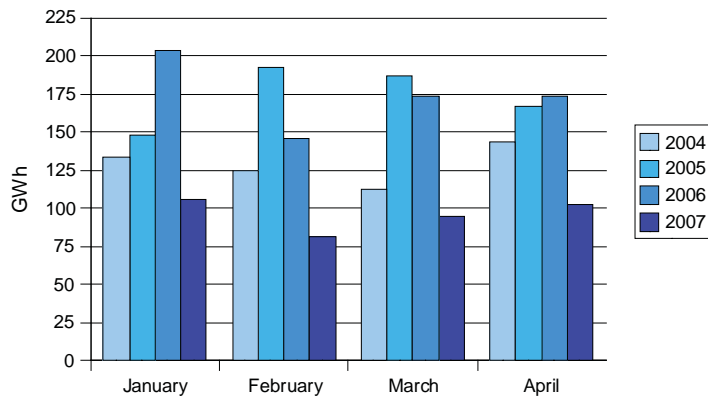
Serbia - Consumption



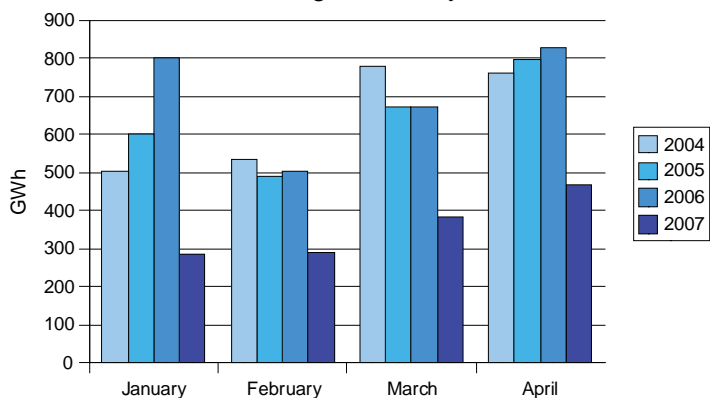
Bulgaria - Hydro Generation



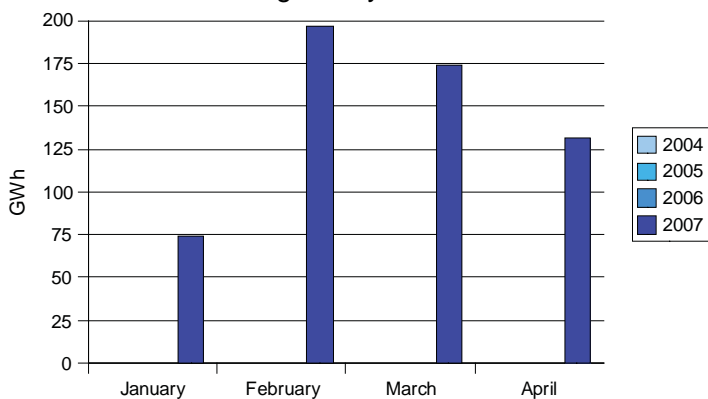
Macedonia - Hydro Generation



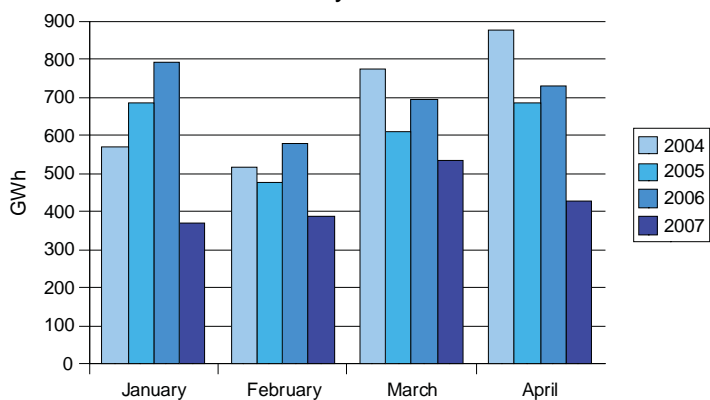
Bosnia and Herzegovina - Hydro Generation



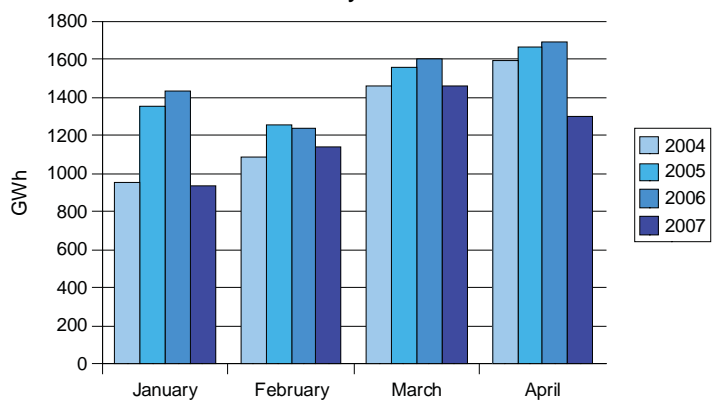
Montenegro - Hydro Generation



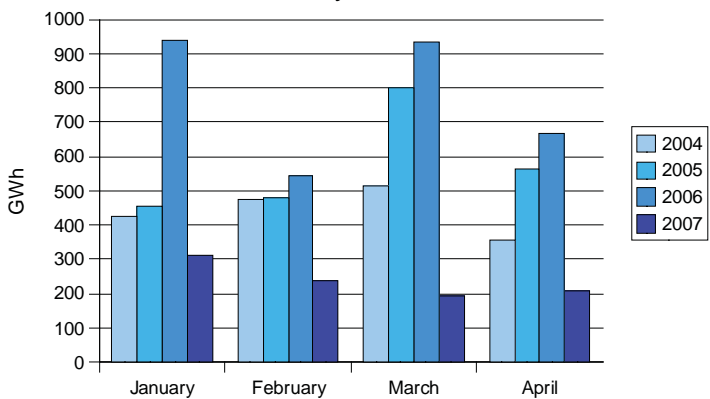
Croatia - Hydro Generation



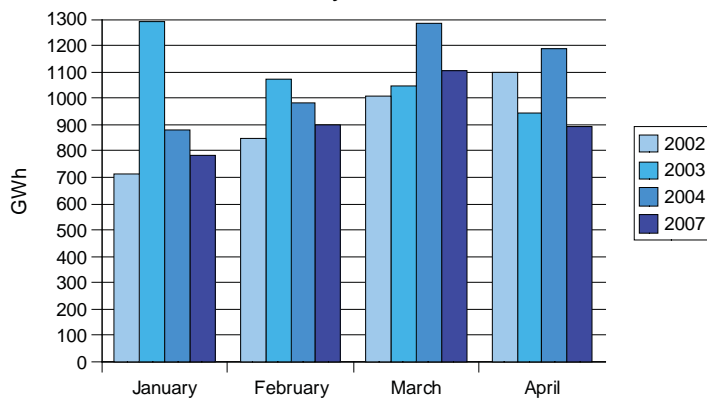
Romania - Hydro Generation



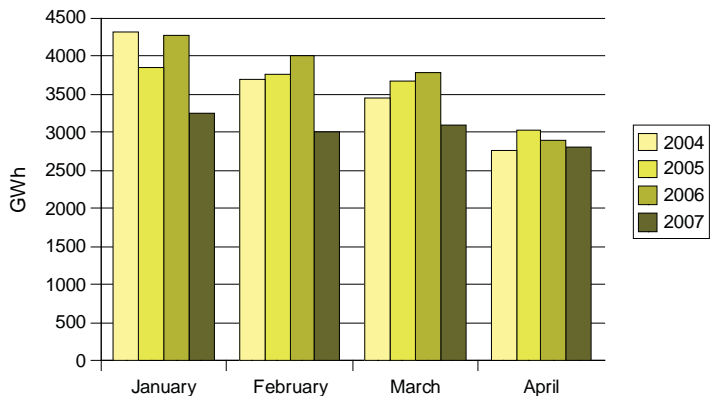
Greece - Hydro Generation



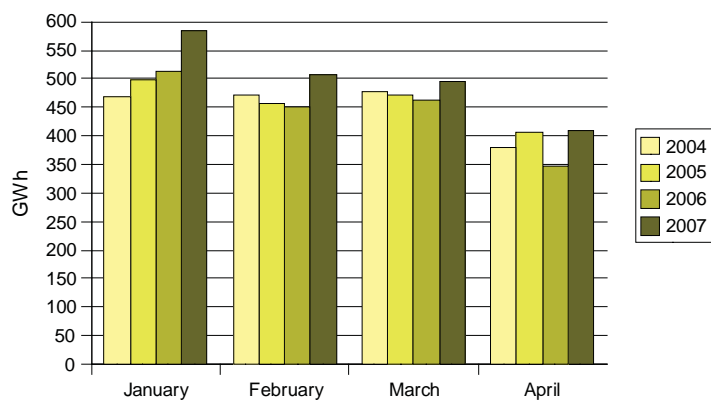
Serbia - Hydro Generation



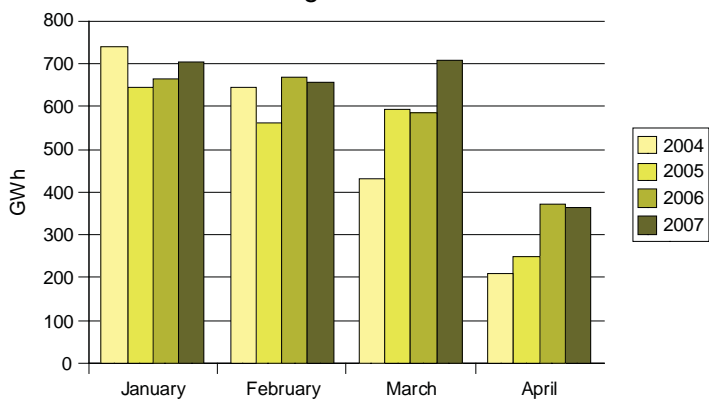
Bulgaria - Thermal Generation



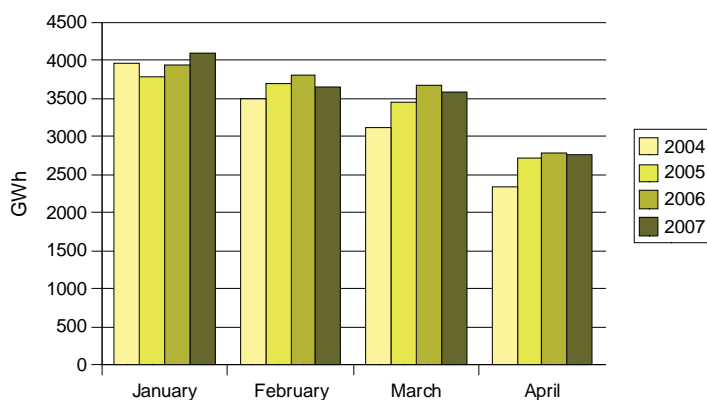
Macedonia - Thermal Generation



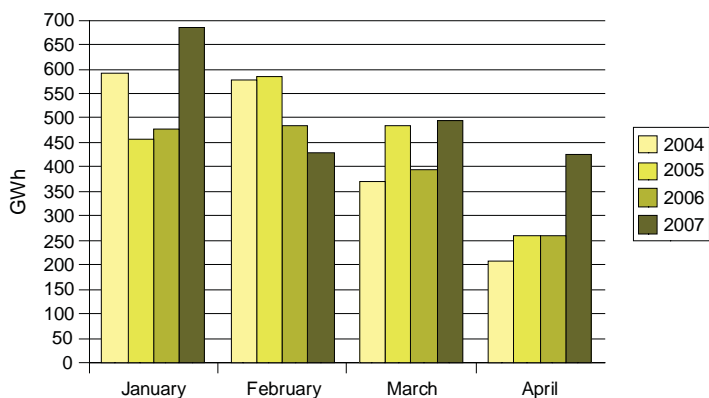
Bosnia and Herzegovina - Thermal Generation



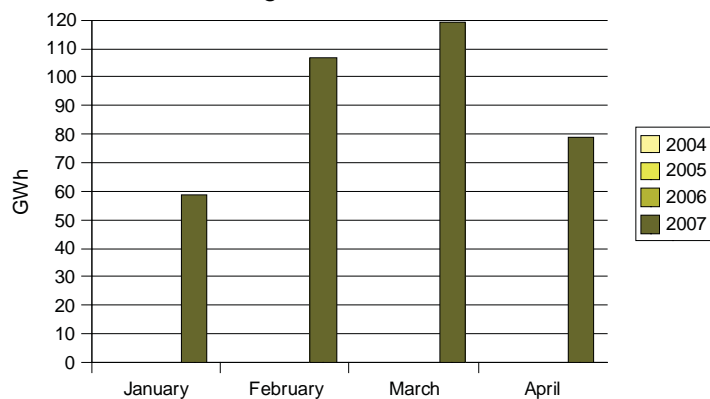
Romania - Thermal Generation



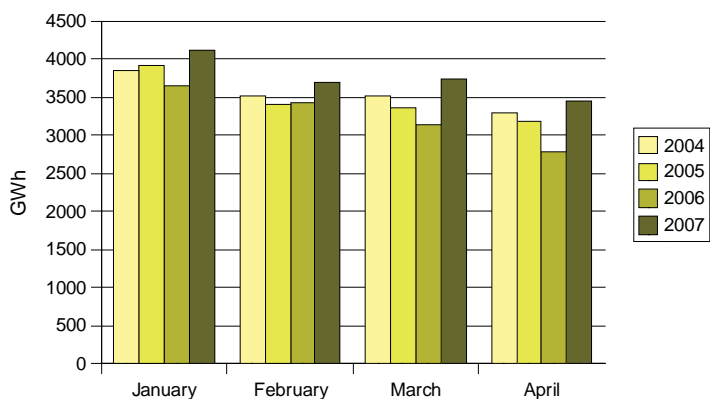
Croatia - Thermal Generation



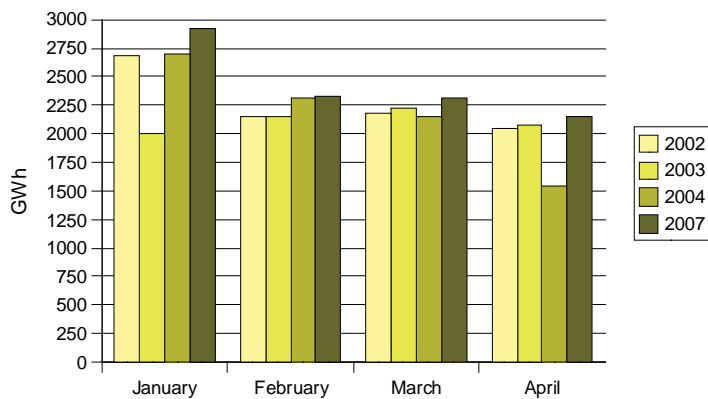
Montenegro - Thermal Generation



Greece - Thermal Generation



Serbia - Thermal Generation



Proposal for regional power exchange (Region)

Prime minister of Republic of Srpska (RS) Milorad Dodik proposed to establish a regional power exchange by power utilities of Croatia, Serbia, Federation of Bosnia and Herzegovina and RS, in order to tackle global competition in electricity sector.

Dodik pointed out that RS has enormous energy potential comparing to its size. RS is the only power utility in former Yugoslavia with electricity surpluses. In the future, RS will have a chance to increase its power capacities three times comparing to present situation, Dodik said.

In the same time, prime minister of RS confirmed that the privatization of oil companies (which are sold to Russian Zarubezneft) was behind the schedule. Nevertheless, according to him, the procedure should be finished very soon after the end of holiday season. Dodik also confirmed that the Russian bank, which finances entire process, became the development investment bank of Russian Federation.

In the related news, Prime Minister Dodik said he was against privatization of electrical energy sector in RS. He believes that capital of Power utility of RS (ERS) should be increased instead of being sold.

Dodik strongly opposed the claims that RS lost the ownership over thermal power plant (TPP) Gacko, where RS just invested its capital with CEZ. This was said during a conference of development of electrical energy sector of RS held in second half of August.

Dodik reminded that there was no any kind of investments for development of energy sector in RS, while only investments made in the past were those related to maintenance of the system.

§ § §

Russia set the new conditions for Bourgas-Alexandropoulos oil pipeline (Region)

In the end of August, the latest round of consultation between Russia, Bulgaria and Greece over the Bourgas – Alexandropoulos oil pipeline took place in Athens.

The negotiations were related to foundation documents of the project company, the International project pipeline (IPC) Bourgas – Alexandropoulos.

During the meeting, Russian side, which should control 51 % stake in the project, demanded from Bulgaria and Greece to provide 49 % of oil supplies for the pipeline in order to have voting rights. If not Russia, proposed to Bulgaria and Greece to sell its share in the pipeline, which was rejected by these two countries. Russia also did not submit guarantees for an oil link from the Caspian Pipeline Consortium (CPC) - Kazakhstan at the port of Novorossiysk and set the conditions for financial responsibility to Bulgaria and Greece in case of unsecured oil supplies.

This was considered as the Russia's attempt to pressure Bulgaria and Greece to sell their stakes in the project. Both proposals were not in accordance to interstate agreement regarding the project, which would certainly stop the procedure for establishment of IPC, sour-

es said. The meeting was also aimed to resolve the issues regarding the registration of IPC.

When Bulgaria ratified an interstate agreement, government said the country would not have any financial obligations toward the project and claimed the pipeline would bring some 35 million dollars of transit fees per year. At the time, deputy regional development minister of Bulgaria, Kalin Rogachev told to Bulgarian media the oil supply for the pipeline should be the responsibility of Russia. That is believed to be one of the reasons why Bulgaria approved majority stake of Russia in the project. Bulgarian official confirmed the Bulgaria would not sell its stake in the project, yet it would try to provide oil supplies for the pipeline.

If Bulgaria and Greece are obliged to provide supplies for the pipeline, they should provide some 8.5 million tons per year, having in mind the annual transport capacity of the pipeline should reach 35 million tons.

So far, Kazakhstan was only oil producing country that expressed interest for joining the project. Russia supported Kazakhstan, and the meeting in Athens was seen as the step further toward that outcome.

§ § §

Government approved installation of mobile TPPs and restart of TPP Fier (Albania)

Due to inability to import sufficient amount of electricity in the incoming period, Albanian government invited local and foreign companies to submit financial offers for installation of four mobile oil-fired thermal power plants. The TPPs should be located near the port of Vlora. The news was confirmed by the ministry of economy and trade and it was quoted by Macedonian media.

The overall power output of those TPPs should be 100 MW. The government is still to decide whether to lease or to buy those TPPs. The final decision should be reached in September. The price of electricity in TPPs should reach 8.2 eurocents/kWh, comparing to import price of 6.5 to 7 eurocents/kWh. On the other hand, local energy experts, who are aware the current transmission capacities of the country could not provide sufficient electricity import, supported this idea. Government already demanded from large oil companies to increase oil import.

In the related news, due to same reasons quoted above, the government of Albania decided to restart TPP Fier. The TPP is currently in the middle of concession procedure.

The ministry approved the restart of the TPP, after Albanian Power Corporation (KESH) filed an official request. The TPP should be able to produce some 0.9 GWh of electricity per day, which would be some 20 % of current domestic production. The TPP could be put in service in the second half of September, which is explained by the bureaucracy reasons and lack of harmonization between KESH and ministry.

According to estimations, if the TPP Fier had been put in service in the beginning of July this year, it would have produced some 55 GWh of electricity so far, which is equal to one-week electricity import of Albania. TPP uses domestic oil so that the price of produced electricity would have been lower comparing to import prices, experts said.

In the end of August, power cuts in Albania lasted between 4 to 10 hours. According to the latest estimations made by KESH, electricity import should reach between 2.4 and 2.8 TWh by the end of 2007.

In the first half of 2007, the electricity import reached 1.445 TWh, which was 197.2 % higher comparing to last year, the report of National statistic institute (INSTAT) showed. In the same period, electricity production was reduced by 48.9 % down to 1.622 TWh.

§ § §

Energogora to invest 90 million euros in energy sector (Albania)

Slovenian company Energogora announced to invest 90 million euros in energy sector in Albania. The Slovenians submitted to ministry of economy and trade proposal for construction of five small hydropower plants (HPPs), with overall power output of 60 MW. The cost of the project is 60 million euros. The news was quoted by Macedonian media.

During the meeting with prime minister Sali Berisha, officials from Energogora said they were satisfied with business environment in Albania. Energogora expressed interest for construction of thermal power plant (TPP) in area of Porto Romano. The TPP should have 95 MW, where overall investment should reach 30 million euros. Berisha announced it would provide state guarantees for aforementioned projects.

§ § §

Patton Boggs starts consultancy regarding ARMO privatization (Albania)

US Company Patton Boggs, selected as privatization advisor for state owned oil company ARMO in July this year, announced it started consultancy services. This was confirmed by the official sources from ministry of economy and trade.

Patton Boggs has been collecting necessary financial and technical data and has been analyzing ARMO's facilities in order to perform due-diligence of the company.

Advisor plans to prepare database on ARMO's economic and financial activities in accordance to latest auditors' methodologies. According to the recent announcements, the privatization procedure of ARMO should be completed in the next year.

§ § §

970 million euros to be invested in energy sector (Albania)

According to development programs, Albania should invest 970 million euros for modernization of electricity sector until 2020. Program envisages construction of 896 MW in new power plants, i.e. 657 MW in thermal power plants (TPPs) and 239 in hydropower plants (HPPs).

The most important project will be the construction of TPP Vlora, which construction site was recently approved by Territory Adjustment Council of the Republic of Albania. The construction works are expected to start in September. Among other projects, Albania plans to upgrade TPP Fier and to build large HPPs on Devoll River.

In the related news, International financial corporation (IFC) and ministry of economy and trade had talks regarding the privatization

of Albanian power corporation (KESH). The unbundling of Distribution division of KESH is expected to last six months.

§ § §

Prime minister approved increase in electricity prices in the next year (Albania)

Prime minister of Albania, Sali Berisha said the electricity prices should rise, but the government would undertake necessary measures in order not to affect underprivileged households and small enterprises. PM said there would be no drastic price increase.

KESH proposed to impose new electricity prices in the next year, where KESH proposed two scenarios. According to first proposal, all customers would pay 6.9 eurocents/kWh, comparing to present price of 5.8 eurocents/kWh.

According to second proposal, customers who spent under 400 kWh per month, should pay 6 eurocents/kWh (4.3 % increase), while those who spent above 400 kWh should pay 9 eurocents/kWh (57 % increase). According to data, only 9 % of customers in Albania spent above 400 kWh per month.

§ § §

ASG announced to build power cable toward Italy (Albania)

Swiss-based consortium ASG Power announced it would build 500kV submarine power cable between Albania and Italy. The cost of the project should be 630 million dollars and it would be a part of larger 2.3 billion worth project regarding the Fier energy complex.

The AC/DC converter station in Albania should be built near city of Fier, where the line will be extended to Elbasan and connected to national grid. In Italy, the line will terminate near city of Foggia. The line will be 340 km long and it should be built under 35-year concession contract between ASG and Albania. The cable should be built in period of 19 months.

§ § §

Oil refinery in Brod halved business losses (Bosnia and Herzegovina)

In the first six months, Oil refinery in Brod reported 8.4 million euros of losses, which was 50 % lower comparing to same period last year.

The report, published by Banja Luka stock exchange, said the overall incomes reached 2.85 million euros, which was 148 % lower comparing to last year, while overall expenses stood at 11.25 million euros (112 % decrease).

The active capital of the company on June 30 this year stood at 273.5 million euros, while capital worth reached 125.8 million euros. The long-term liabilities reached 4.4 million euros, while short-term liabilities stood at 77.6 million euros.

The company employed 1,363 people, which were 65 people less comparing to the last year. The majority owner of the company is the state with 65 % share.

The refinery, along with Motor oil refinery in Modrica and fuel retailer Petrol, should soon become officially owned by Russian Nef-GazInkor, which purchased the refinery on February 2nd this year. The government expects that the privatization procedure should finish by the end of August, when Russian Vnesekonombank should provide the financial support for the acquisition.

In the related news, minister of energy and development of RS, Rajko Ubiparip, confirmed the government paid some 36.7 million euros of debts of the refinery so far.

§ § §

Government initiated talks for construction of HPPs on Vrbas River (Bosnia and Herzegovina)

Government of Republic of Srpska (RS) invited consortium HES Vrbas to start negotiations for construction of hydropower plants (HPP) on Vrbas River near Banja Luka. By this, the project was revived after two-year standstill, government pointed out.

Minister of economy, energy and development, Rajko Ubiparip, said the government would propose to concessionary to build one instead of two HPPs, (as it was defined in original agreement). Ubiparip explained that construction of HPP Krupa (with lower power output than originally planned) would not imply dislocation of regional road, while construction of HPP Banja Luka Niska would be postponed until indefinite time.

The consortium HES Vrbas and government of RS signed the 25-year concession contract in November 2004. The contract, 164 million euros worth, envisaged the construction of HPP Krupa (48.5 MW) and HPP Banja Luka Niska (37.2 MW).

The project was faced by environmental protests and it was stalled in the end of 2005. Since that time, the government has not given the official opinion on the general design of the project, although it was obliged to do so, officials from HES Vrbas said

Because of lack of the official approval, the consortium was not able to start the project, i.e. to prepare the environmental study, which could have resolved disputable issues, the representative of consortium said. The consortium should soon present its negotiating platform, officials said.

According to concession agreement, all potential disputes are supposed to be solved in Geneva court. Unofficial sources claim that the concessionaries estimated it had lost some 130 million euros so far due to project's blockade.

§ § §

EP BiH the largest company in the country (Bosnia and Herzegovina)

The Power utility of Bosnia and Herzegovina (EP BiH) was the largest company in BiH in 2006th, the latest date showed. The company reported 358.3 million euros of incomes.

In the same time, the Power utility of Republic of Srpska (ERS) and Power utility of Herzeg Bosnia (EP HZHB) reported 237.7 million euros and 189 million euros of incomes, respectively.

Nevertheless, the power companies were not among the most profitable companies. The most profitable companies in the country

were the national phone company of BiH, phone company of RS, Aluminum factory Mostar and Mital Steel Zenica.

§ § §

Energoinvest and Danish EWB to build wind farms (Bosnia and Herzegovina)

Director of Sarajevo engineering company Energoinvest confirmed the company would be involved in construction of wind farms. The Energoinvest's partner should be Danish company EWB, where two companies should establish joint venture for construction and operation of wind farms.

The some parts of wind farms should be produced in Bosnia and Herzegovina (BiH), director said. The wind generators should be delivered by Vestas company, which is willing to start production of those generators in BiH.

Director of Energoinvest confirmed the company has been preparing for active participation in construction of new large power plants in the country, where Energoinvest sees its chance in cooperation with foreign strategic partners. The privatization of Energoinvest should be continued this autumn, after the international privatization tender was canceled this spring, director said.

Energoinvest should soon start the construction of 165 million euros worth 720 kV power line in Libya, the company said. The company's share in this project is 70 %.

§ § §

Government did not approve increase in electricity prices, dismissals of the management of ERS (Bosnia and Herzegovina)

Government of Republic of Srpska (RS) did not support a proposal (submitted by Power utility of RS (ERS)) for increase in electricity prices, but the final decision should be reached by the Regulatory energy agency (REA). This was confirmed by the minister of economy, energy and development Rajko Ubiparip.

Minister pointed out to a complex situation in Mixed Holdings ERS due to unfavorable hydrology and problems in operation of hydro-power plants (HPPs), which led to unprofitable operation of the company. This was the main reason for management of ERS to ask for price increase, minister explained.

After the latest government's session, when business activities of ERS have been analyzed, minister said the government instructed national power company to compensate the negative business results from its own reserves and to reduce losses due to inadequate electricity prices in the next six months. Government called for reduction of business losses, more restrictive employment policy and reduction of distribution losses.

According to official data, Mixed Holdings ERS reported 17.85 million euros of losses in the first half of 2007. One of the reasons for loss was the absence of electricity export in April and May. The active manager of the Holdings, Branislava Miletic, confirmed that revised data showed that business loss in 2005 and 2006 was 17.85 million euros and 95,000 euros, respectively.

Government adopted consolidated auditor's report for all companies in Mixed Holdings. The report gave positive evaluation for four

companies, while for the rest of the companies in the Holdings auditors expressed reserves on their business performance. Government also approved Business plans for Holdings for period 2007-2009.

At the same session, government adopted draft Natural gas law. Minister Ubiparip pointed out that this was completely new law, which should regulate this sector in the country for the first time. The law is harmonized with EU directives and it defined in details responsibilities of all subject involved in production, import, trade, distribution and consumption of natural gas. The law should provide conditions for development of natural gas sector in entire Bosnia and Herzegovina and cooperation with neighboring countries.

In mid August, due to problems in operation and inadequate performance of thermal power plants (TPPs), the government dismissed general manager of ERS Pantelija Dakic, director of TPP Gacko Vlastimir Savcic and director of TPP Ugljevik Zoran Micanovic.

The dismissals were made at the request of ministry of economy, energy and development.

The ministry claimed the losses in the first half of this year reached 10 million euros, while electricity production was 1.991 TWh, which was only 83.13 % of planned amount. The ERS was forced to borrow 120 GWh of electricity in order to preserve stability of power system, minister Ubiparip said. ERS previously had 60 GWh of electricity owed by the partners, minister said.

Due to 20-day delay of start of overhaul of TPP Gacko and even 14 outages of the TPP after the end of overhaul, the TPP Gacko was in operation 1,183 hours less comparing to plans. By this, the reduction in electricity production reached 267 GWh, and the estimated loss was 8.7 million euros.

In the same time, TPP Ugljevik also suffered 10 unplanned outages, by which reduction in electricity production was 60 GWh and the estimated loss reached 2.14 million euros.

§ § §

Seven small HPPs to be built on Bosnia River (Bosnia and Herzegovina)

Government of Republic of Srpska (RS) approved the construction of seven small hydropower plants (HPPs) on Bosnia River, between Modrica and Dobo. The worth of the project is estimated at 152 million euros, while the construction could start in March 2008. The power output of HPPs will be between 10 and 14 MW, and the construction should last three years. Six HPPs will be built by Norwegian Technor, while one HPP will be built by local company Elektrodoj.

Minister of economy, energy and development of Republic of Srpska (RS) Rajko Ubiparip and director of Norwegian company Technor Energy AC, Harald Bones, signed the contracts for construction of three HPPs. For these HPPs, Technor was granted 30-year concession contracts, while for another three HPPs, 27-year concession contracts were signed earlier. The general design of these HPPs will be in accordance to EU environmental standards, investors said.

Besides production of electricity, the new HPPs would contribute to regulation of rivers, which would solve problems with the flooding in the future, minister said. The construction of HPPs would not cause dislocation of any roads or private property, officials said.

§ § §

Import of electricity increased (Bosnia and Herzegovina)

According to Agency of statistic of Bosnia and Herzegovina (BiH), in period January-July this year, worth of electricity export reached some 45 million euros, while some 60.3 million euros was spent for electricity import.

The export was reduced by 42.9 % comparing to last year, while electricity import increased by 91.7 %.

The largest importer in the country was the Power utility of Herzeg Bosnia (EP HZHB), one of the three power utilities in the country, which import some one third of its overall needs. The electricity import was increased because of drought, since EP HZHB produces electricity only from hydropower plants.

Power utility of Bosnia and Herzegovina (EP BiH) and Power utility of Republic of Srpska (RS) imported considerably lower amounts of electricity comparing to the last year. On the other hand, these two companies could also become importers if the construction of new power plants was not started in the next several years.

In the related news, 14 companies expressed interest for purchase of 724.5 GWh of electricity surpluses offered by EP BiH. The interested companies are: Sempra, Power utility of Montenegro, E.ON, EFT, Croatian power utility, Ezpada, RE Trading CEE, EGL, GEN-I, Atel, CEZ and Rudnap. The bids should be evaluated by the September 5, EP BiH announced.

§ § §

Customers owe some 100 million euros to Sofia heating company, customers surprised by high heating bills (Bulgaria)

Director of Sofia heating company, the Toplofikatsiya, Petko Milevski said the company claims some 100 million euros of unpaid heating bills. On the other hand, company was involved in major corruption scandals and it is close to bankruptcy.

Milevski said the collection rate slightly improved and it stands at 40 % for households and 49 % in total, including companies and institutions.

In May this year, Milevski became the new and fourth director of the company in the six-month period. At the time, his main promise was the improvement of company's image and rebuilding the customers' trust.

Director expressed strong assurances that citizens in Sofia would have continuous heating and hot water supplies. He also explained the new and complex method for calculation of heating bills, which were higher than expected in August. The main reason for high bills was so-called installed power. The director's address came after wave of discontents due to high bills in the period when there were no deliveries of heating energy. The customers announced filing the lawsuit against the heating company to the Sofia City Court and the Supreme Administrative Court.

In the related news, Sofia heating company asked from state-owned natural gas company Bulgargaz to approve rescheduling some 77 million euros debt for delivered natural gas, executive director of Bulgargaz confirmed. The management of Bulgargaz said it was open for debt-for-equity payment scheme. According to the latest

data, heating companies in the country owe some 104 million euros to Bulgargaz for delivered natural gas during 2006-2007 heating season.

§ § §

Unit 5 in NPP Kozloduy put in service after maintenance (Bulgaria)

In mid August, unit 5 (1,000 MW) in nuclear power plant (NPP) Kozloduy was put in service after finishing regular maintenance works, upgrade and refueling. Unit 5 was out of service since June. In the same time, unit 6, the other remaining unit in NPP, was operating at full power.

In the end of the last year, Bulgaria shutdown two older 440 MW reactors, after which it had lost the leading position of the largest electricity exporter in Southeastern Europe. In the past, Bulgaria covered some 80 % of electricity deficit in the Balkans.

§ § §

CEZ to merge three power companies, 25.5 million euros owed by the customers (Bulgaria)

Czech CEZ announced it would merge three electricity distributors owned by the company in Bulgaria in order to reduce cost and to increase their efficiency. The merger should take place on October 1 and it comes after the restructuring of three companies, which took place in May.

Some 367 workers will become redundant, but they will be given chance to apply for 134 jobs that would be created by merger. CEZ Bulgaria employs 3.416 people at the moment and it operates electricity distributors in Sofia, Pleven and Sofia district.

In the related news, CEZ Bulgaria said the customers owe some 25.5 million euros for unpaid electricity bills. In Sofia, companies and households owe some 6.7 million euros, where the largest debtors are three hospitals, water utility companies and local transportation company. Some 82 % of debts are made by state owned companies, CEZ pointed out.

The Bobov Dol coalmine is the largest debtor with 2.8 million euros debt. CEZ warned coal company it would cut the power supply on August 30 unless the company agreed on a payment schedule. Bobov Dol company announced it would try to reverse the court decision and claimed the electricity bill was overcharged by some 550,000 euros.

According to latest news, CEZ said it reached agreement with the coal company regarding the rescheduling of payment of debts.

§ § §

E.ON ready to buyout remaining state-owned shares in electricity distributors (Bulgaria)

E.ON Bulgaria, subsidiary of German E.ON, expressed readiness to purchase remaining 33 % of shares owned by the state of Bulgaria in electricity distributors in Varna and Gorna Oriahovitsa. The sale of shares was discussed in the meeting between E.ON Bulgaria's chairman Manfred Paasch and economy minister Petar Dimitrov.

E.ON official confirmed the two co-owners had a good cooperation in the past, where only reason for dispute was the distribution and reinvestment of dividend.

E.ON confirmed it has been considering new options for delivering the monthly bills, such as online or mobile bills. The current model for delivering monthly power bills, demanded by Bulgarian power regulator, incurs some 3 million euros cost for the company, E.ON said. E.ON believes that switching from monthly to quarterly electricity billing would save some 2 million euros to the company, which should also prevent further increase in electricity prices.

E.ON announced establishment of new regional center in Varna due to sharp rise in number of new customers. The 3 million euros worth center should be opened by the end of 2007. Some 3,500 of new customers have been connected to electricity grid in Varna in the first eight months of 2007, where the number is expected to reach 5,000 by the end of the year.

E.ON also announced completion of two new substations in Varna and Rousse, where overall cost of the projects is 3.5 million euros.

§ § §

HSE acquired CHP Rousse (Bulgaria)

In the end of August, Slovenian power plants (HSE) and Privatization agency (PA) signed the final contract for sale of combined heat power plant (CHP) Rousse.

HSE should pay 85.1 million euros for 100 % shares in CHP, while only 10 % of the amount could be paid in non-cash means of payments.

In the same time, HSE has been trying to find strategic partner willing to purchase 49 % of shares in CHP. One of the reasons for such move could be the lack of funds, sources imply.

According to sale contract, HSE must not sell majority stake in CHP in the next three years. In the same period, HSE will not be allowed to shutdown the plant or to dismiss any of employees.

§ § §

53 % reduction in half-year profit for INA (Croatia)

Croatian oil industry (INA) reported 40.5 million euros of profit in the first half of 2007, which was 53 % lower comparing to the last year.

The sale incomes, in the same period, were increased by 4 % up to 1.53 billion euros. The sales on domestic market increased by 9 % up to 1.02 billion euros, while sales on foreign markets reduced by 5 % down to 500 million euros.

The increase in incomes was related to increase in sales of oil derivatives (8 % increase), natural gas (13 % increase) and crude oil (32 % increase). The increase in sales were diminished by lower average prices comparing to last year and unfavorable currency exchange difference of natural currency comparing to US dollar, official report said.

Another reason for profit reduction was imposing the price cap in retail oil market, which led to over 9 million euros lower profit.

In order to compensate the negative effects of regulated natural gas prices, in the second quarter of 2007, INA initiated negotiations for increase in natural gas prices for industrial customers, which resulted in 20.5 % increase in prices.

The core incomes increased by 2 % up to 1.6 billion euros, but the core expenses also increased by 4 % up to 11.53 billion euros. The core profit was 27 % lower comparing to last year and stood at 66.8 million euros. The capital expenditures slightly reduced and reached 153 million euros. In the same time, raw materials costs increased by 6 % up to 780 million euros.

In the first half of 2007, the loss from financial activities was 12 million euros, comparing to almost 15 million euros of profit in the last year. The management explained the loss in financial segment by higher interest rates, higher indebtedness rate and higher expenses for bank services. The report also showed that share dividend was 4.05 euro, which was 53 % lower comparing to the last year.

In the related news, nominal worth of INA's shares reduced to 383 euros in mid August, which was the lowest price since February. The main reason for share drop was the sale of Tifon to MOL, undefined MOL's plans and weaker business results of MOL, experts said.

§ § §

Claus facility in Sisak refinery to be operational in September (Croatia)

Croatian oil industry (INA) confirmed that Claus facility in Sisak refinery would be put in trial operation by the end of August, as planned. New facility would solve the problems related to emission of sulfur-hydrogen. The cost of installation of modern desulphurization facility is 24 million euros, INA said. The extracted sulfur will be sold on market. INA's experts believe that emission of sulfur dioxide would be reduced from 8,000 tons reported last year down to 4,000 tons.

INA also started modernization of fuel tanks and construction of gasoline hydrodesulphurization unit of (HDS) in the Sisak refinery, the cost of which will be 25 million euros. In addition, in September this year, INA should publish international tender for construction of isomerization unit, the cost of which is estimated between 40 and 50 million euros.

The aforementioned projects are the part of the first phase of modernization of Sisak refinery. The projects should be finished until the beginning of 2009th, and the refinery will be able producing gasoline and diesel of Euro 5 standard. The standard will be imposed in EU in 2009th. After that, the second phase of modernization will start and it will imply construction of hydrocracking unit and facility for production of hydrogen.

The overall cost of modernization projects in two of INA's refineries, in Sisak and Rijeka, is estimated at almost 750 million euros. INA plans to invest some 404 million euros in Rijeka refinery, while some 340 million euros should be invested in Sisak refinery. The overall processing capacity in two refineries will be increased at 7.7 million tons (3.2 million tons in Sisak, and 4.5 million tons in Rijeka)

§ § §

Construction of TPPs priority for HEP (Croatia)

Croatian power utility (HEP) confirmed its main priority in the future would be construction of large thermal power plants (TPPs) in Zagreb, Osijek, Sisak and Plomin.

The announcement came after some media implied the HEP would build hydropower plants (HPPs) on Sava River, with overall power output of 40 MW. The cost of this project is estimated at 340 million euros. On the other hand, HEP confirmed that this project was only in preparation phase, and considering the HPPs would have relatively small power output, the project was not considered as the priority one in this moment, chairman of the management board of HEP, Ivan Mravak said.

§ § §

PPC separated RES department (Greece)

During the extraordinary general meeting in the end of August, Public Power Corporation (PPC) decided to separate its renewable energy sources (RES) division from the parent company. The main idea for such move is the PPC's plan for expansion in RES market and distinguishing the investment subsidies and RES tariffs.

According to PPC plans, new flexible organization should enable cooperation with third parties, which should create conditions for the ambitious investment program regarding building and operating 1,540 MW from RES by 2014. This amount will represent 22 % market share, comparing to current value of 8.1 %.

PPC's RES division has recently agreed on cooperation with EdF Energies Nouvelles for the development of wind farms of total capacity 122 MW and with ETBA bank for the development of photovoltaic parks with 35 MW power output. PPC also submitted request to the Regulatory Authority for Energy regarding the installation of overall 140 MW in solar power plants.

§ § §

4.3 % increase in profit for PPC (Greece)

According to data reported in the end of August, Public Power Corporation (PPC) reported 99.4 million euros of profit in the first half of 2007, which was 4.3 % higher comparing to the last year. The increase in profit, which was not estimated by analysts, was related to one-off gains, lower expenses and lower tax rate.

The overall incomes reached 2.47 billion euros (6 % increase). The low precipitation during past winter caused strong reduction in hydropower production of 64 % in the first six months. This reduction caused additional costs of some 157 million euros for substitute fuels. Other operational expenses, including lignite purchases, reduced by 15 % down to 268.5 million euros, the report showed.

The earnings before interest, tax, depreciation and amortization (EBITDA) stood at 456.4 million euros (4.1 % decrease), while the capital expenditure reached 381.9 million euros (17.2 % increase).

In the related news, PPC confirmed that enormous fires across the country caused large number of outages in distribution network. The most of the problems in electricity supply were resolved successfully, PPC said.

§ § §

New government to decide on PPC's strategy (Greece)

According to latest announcements in Greek media, Public Power Corporation (PPC) will be facing several development scenarios in the nearest future, where the most likely could be further restructuring, cooperation with strategic investors, further sale of the company's stake and involvement of private capital in particular projects. The reduction of government's share in PPC below 51 % should be followed by the changes in legislation.

The new development scenarios are aimed to deal with energy crisis and to increase the competitiveness of the company. Until year ago, aforementioned plans were considered, both by the government and by management of PPC, as inapplicable. On the other hand, need for the restructuring, stagnation of the company and changes in the domestic market (especially interest of other investors for power generation) forced PPC to reconsider new options.

The latest cooperation agreements signed with Iberdrola (regarding development of renewable energy sources) and with the cement producer, the Agat-Iraklis (regarding the construction of new thermal power plant in Aliveri) are considered as the announcements of changes in PPC's policy.

The new plans should be approved by the new government, which is to be elected on September 16. The PPC should present its 5-year business plan in October.

§ § §

Government granted license for power plant in Rhodes (Greece)

In mid August, the government approved a license for construction of 120 MW thermal power plant on island of Rhodes. The TPP will be built by Public Power Corporation (PPC), where Regulatory authority for energy (REA) already approved the project.

The TPP should be fired by low-sulfur crude oil in the first phase, where the fuel source will be changed to natural gas, when the necessary infrastructure was built. The new unit should be built by 2011 and, along with existing units, should cover island's power demand until 2020.

§ § §

New director of MEPSO appointed (Macedonia)

In the second half of August, the government of Macedonia appointed Vladimir Zdravev to be a new director of Macedonia's transmission system operator (MEPSO). The sources implied that former director of MEPSO, Atansko Tuneski, was dismissed due to political clashes in ruling party, VMRO-DPMNE. The official reason for dismissal of Tuneski was endangering the stability of power system by not publishing the tender for import of fuel oil for TPP Negotino.

According to some Macedonia's media, the new director is a cousin of prime minister Nikola Gruevski. The media also accused prime minister for installing of some other relatives to high places in the country. On the other hand, the government officially denied family relations between Zdravev and Gruevski.

Some sources said that the former director Tuneski was dismissed from its position after he opposed the idea that national power producer, the ELEM, should be allowed to sell electricity directly to

customers, which was allowed only to MEPSO and ESM (power distributor), according to current laws.

Director of ELEM, Vlatko Cingoski sent an official letter to ministry of economy in which he asked for changes in legislation so that ELEM would be granted a retail and wholesale supply license. Tuneski opposed the idea, saying such changes would increase market monopoly.

Cingoski explained its request by the fact that ELEM already delivered 81 GWh of electricity to customers in Debar, Struga, Kavadraci and Mavrovo in 2006.

The electricity to large number of customers (mostly industrial customers) in Macedonia has been delivered through low voltage network not operated by MEPSO or by ESM, head of ELEM said. In 2007, ELEM should deliver some 1,132 GWh to those customers, which was 36 % of overall consumption of industrial customers and some 22 % of overall electricity production in the country.

Tuneski earlier said that all those customers (among them Makstil, Skopski leguri and Mital Steel) and all power plants of ELEM are also connected to high voltage network operated by MEPSO.

§ § §

Delivering the water for electricity production to Albania (Macedonia)

In the second half of August, Macedonia has started to deliver the water from accumulation lake Debar through River Crni Drim to Albania. The water flow is some 40 cubic per second and it is aimed to improve water level and electricity production in downstream power plants in Albania, which was hit by energy crisis this summer.

In the first half of August, government of Albania sent an official request to Macedonia regarding this kind of help, which is in accordance to interstate agreement signed in 1960s.

Officials from hydropower plant (HPP) Spilje located near Debar Lake said the water flow was doubled comparing to previous period. The HPP Spilje produces some 300 GWh of electricity per year, while the current water reserves in the Debar Lake enable a stable electricity production, officials said.

§ § §

Government rejected appeal of Sencap (Macedonia)

In the end of August, the government of Macedonia dismissed an appeal submitted by Greek Sencap, so that consortium led by Canadian Hatch officially became the owner of thermal power plant (TPP) Negotino. The main objection of the Sencap was the fact their offer was 6.2 million euros higher and that they offered to build larger power plant.

The Sencap offered 68 million euros for the TPP and to build 600 MW power plant. The winners offered 61.7 million euros in cash, and offered to build new 500 MW power unit if it was coal fired, 210 MW unit if it was fuel oil fired and 350 MW plant, if the new unit was natural gas fired.

Vice prime minister Zoran Stavrevski explained the sale of TPP Negotino was not public procurement procedure, so that Sencap appeal was rejected.

According to sources, the part of the funds earned by sale of TPP Negotino should be invested for construction of new CCGT plant in Skopje. The tender for new plant should be launched in September and it should be built in industrial area of capital Skopje. The power output of TPP should be 195 MW and it should produce some 1.52 TWh per year. The cost of the project is estimated at 137 million euros.

§ § §

80 million euros for additional electricity export because of drought (Montenegro)

Government of Montenegro provided the guarantees to Power utility of Montenegro (EPCG) for the planned electricity import. According to estimations made by EPCG, by the end of the year, 32 million euros will be spent for electricity import. In the same time, overall funds for electricity import in 2007 should reach 80 million euros comparing to planned value of 77.12 million euros.

After changes in tariff methodology, which took place recently, one of the problems for EPCG became the acquiring the funds for import of electricity. Now, EPCG must provide funds for electricity import by itself.

Previously, the electricity bill comprised the costs for the electricity produced in domestic power plants and costs for electricity import reported in the particular month, by which customers directly paid the costs of electricity import.

The main reason for additional import of electricity is the low production in hydropower plants (HPPs) due to drought. The overall electricity production in the country from the beginning of the year until July 10th, was 23.1 % lower than planned. In the same time, the consumption in the first half of 2007 was 6.4 % lower than planned.

EPCG confirmed that the electricity stored in accumulation lakes of HPP Perucica was 20 % lower than planned, while electricity stored in HPP Piva was 33 % lower than planned.

In July, overall electricity consumption reached 371 GWh, which was far above the production of two HPPs (the TPP Pljevlja is under overhaul).

The member of management board of EPCG Vojin Djukanovic believe that situation in electricity sector in the incoming period will be difficult, having in mind low forecasted inflows in the accumulation lakes. Because of that, EPCG will be forced to import missing electricity under prices between 60 and 90 euros/MWh, which is several times higher comparing to the price of electricity produced in the country.

EPCG believe that application of new tariffs system negatively affected the business activities, having in mind that EPCG demanded 15 % increase in electricity prices, while power regulator approved 9.3 % increase.

Officials from national power company said the requirements set by Regulatory energy agency (REA) were too demanding, even for more developed power companies.

According to plans, EPCG should reduce losses in distribution network at 20.3 %, while collection rate should be between 95-100 %, depending on the customers' category. Even if all aforementioned conditions were

met, the business loss would be inevitable having in mind that REA did not acknowledge the real costs and did not define subsidy policy, EPCG concluded.

§ § §

EPCG, NTE and Statkraft to negotiate on joint venture (Montenegro)

According to Montenegro's press, the Power utility of Montenegro (EPCG) and Norwegian power companies Statkraft and NTE should start negotiations for establishment of joint venture in September this year. The new company should be involved in construction of new power plants in the country. The main intention is to build new hydropower plants, having in mind that Montenegro, according to estimations, has utilized only 17 % of its hydro potential.

The head of negotiating team of EPCG would be executive director of the company Srdjan Kovacevic. The negotiations are aimed to clarify the potential investments and mutual relations between three parties. According to sources from EPCG, Norwegian companies are not pleased with legislation and long lasting procedures for acquiring the necessary licenses due to complicated procedure for granting the concessions and implementation of new Energy law.

NTE and Statkraft have been waiting for changes in legislation in energy sector for more than two years in order to start investments. Statkraft has expressed interest for investing between 500 millions and 1 billion euros for construction of new hydropower plants (HPPs) or for privatization of EPCG. On the other hand, NTE has been one of the largest donators of energy sector of Montenegro in the last five years, by providing the technical and financial assistance to EPCG.

Norwegians are most interested for cascade HPPs on Moraca River, i.e. for the HPP Andrijevo, HPP Raslovici, HPP Milunovici and HPP Zlatica. Another potential project should be the construction of HPP Komarnica. The construction of new plants should be approved by the ministry of economic development, but also by the ministry of agriculture, forestry and water management (which issues the water concessions) and the ministry of physical planning.

NTE also expressed interest for privatization of small HPPs Rijeka Musovica, Rijeka Crnojevica, Podgor, Savnika and Lijeva Rijeka, for which sale the tender should be launched by the end of the year.

§ § §

Government's estimations on oil and gas reserves in Adriatic quite opposite to those made by Hellenic Petroleum (Montenegro)

According to the estimations presented in the Energy strategy of Montenegro until 2025, the reserves of oil in Adriatic are 7 million barrels, while natural gas reserves are estimated at 425 billion cubic meters.

Such estimations are opposite to the conclusions of the study performed by Hellenic Petroleum (HP), the former holder of concession for oil and gas exploration in the Adriatic Sea in Montenegro. In the beginning of July, Greek companies submitted its study on oil and gas reserves, which showed that there could be some oil and gas near border with Albania. The government cancelled concession contract with HP in the last year, due to lack of progress in the project.

Deputy minister of economic development Radonja Minic said the government should launch new tender for granting the concessions for oil and gas explorations in autumn this year. The government should also establish independent commission, the task of which will be to analyze previous studies on the oil and natural gas reserves in Montenegro.

§ § §

TPP Pljevlja to be put in service in the beginning of September (Montenegro)

Director of thermal power plant (TPP) Pljevlja Slavko Vukasinovic said the overhaul was progressing in accordance to plans and that it should be finished by September 1.

TPP was out of service three and a half months, where overall worth of the overhaul is estimated at 11 million euros. The overhaul should prolong operational life of the TPP by another 15 to 20 years. Until now, TPP was in operation 25 years.

In this year, TPP Pljevlja produced 415 GWh., while overall production should reach 900 GWh by the end of year. In the mid August, coal reserves at the TPP's depots stood at 45,000 tons, where optimal coal reserves are 70,000 tons.

§ § §

CEZ selected as a qualified bidder for upgrade of TPP Galati (Romania)

Czech CEZ was selected as a qualified bidder in a tender for strategic partner, which should be involved in the upgrade of 535 MW(3x105 MW, 2x60 MW, 1x100 MW) coal fired thermal power plant or/and the construction of new one in Galati. This was confirmed in the official press release of CEZ in the second half of August. The tender for TPP Galati was published by Termoelectrica. The deadlines for submitting the final bids in this tender were not set yet, CEZ said.

The CEZ is also involved in a tender for construction of 400-500 MW TPP in Borzesti (natural gas or coal fired). The TPP Borzesti is also owned by Termoelectrica.

As a reminder, since 2005, CEZ owns 51 % stake in the largest electricity distributor in Romania, the Electrica Oltenia (1.37 million customers). On March 15 this year, CEZ transformed Electrica Oltenia into the CEZ Distribute, which would continue distribution activities, and CEZ Vanzare, which will be involved in supply of electricity for eligible customers.

§ § §

Kazakhstan's KazMunayGas purchased 75% of shares in Rompetrol Group (Romania)

The Romanian businessman Dinu Patriciu sold 75 % of shares in Netherlands-based The Rompetrol Group NV (TRG) to the state owned Kazakhstan's oil company KazMunayGas for 2.7 billion dollars.

TRG holds 82.36% on Rompetrol SA Bucuresti, also 70.4% shares in Rompetrol Well Services and a stock of 50.50% on Rompetrol Rafinare SA. The sale agreement was signed in Alma-Ata on August 24.

By this transaction, TRG will be granted an access to the oil fields in Kazakhstan, which would secure independence from oil supplies from Russia, Patriciu said. In the same time, Kazakhstan will enter EU market.

Patriciu believes the agreement would enable TRG to expand in Europe, including France, Romania Moldova and Bulgaria. The company plans to focus its activities in fast growing markets of the Black Sea, Balkans and Mediterranean.

The president of KazMunayGas, Uzakbay Karabalin said the agreement would create an energy bridge between Kazakhstan and rising demand for oil products in entire Europe.

Estimated worth of TRG is 3.616 billion dollars. Patriciu, i.e. Rompetrol Holding SA (Switzerland) will remain in possession of 25 % of shares in TRG and he will continue to be president and general manager of the company, the sale agreement said. The sale negotiations lasted for 7 months through private auction process conducted by Morgan Stanley's London-based Energy Group.

In the past period, the KazMunayGas several time announced plans for entering the European market. The sale agreement should receive an approval from Brussels, but the sources from Romania believe this would not be a problem having in mind EU policy for diversification of energy sources and reduction of energy dependency from Russia.

§ § §

Transelectrica to invest 2 billion euros in period 2007-2020 (Romania)

General manager of Romania's transmission system operator (Transelectrica) Stelian Gal, announced the company should invest overall amount of some 2 billion euros in transmission network in period 2007-2020.

According to estimations made by Transelectrica, until 2020, majority of the necessary funds or some 1.45 billion euros should be acquired from transmission fees, while some 400 million euros should be provided from connection fees. Gal confirmed that company plans to attract structural funds and to acquire commercial loans for the development of the company.

In the first half of 2007, Transelectrica reported 16.8 million euros of profit, which was 50 % lower comparing to the same period last year.

Razvan Purdila, director of the capital market department in Transelectrica said the company had initiated negotiations with Nuclearelectrica and Electrica in order to cooperate in the feasibility study for construction of undersea power cable between Romania and Turkey. The worth of the project is estimated at 500 million euros, where Transelectrica invited international investors to take part in the project. The cable should be put in operation in 2009 and it should connect Black Sea cities of Constanza (Romania) and Pasakoy (Turkey). The cable should be 400km long and it should have 1,000 MW capacity.

§ § §

Unit 2 in NPP Cernavoda increased power output at 50 % (Romania)

The National Commission for Control of Nuclear Activities (CNCAN) gave the approval for increasing the power output of unit 2 in nuclear power plant (NPP) Cernavoda at 50 % of maximum capacity.

The inspections conducted by CNCAN confirmed that nuclear security standards were met, while operational tests during this stage were in accordance to internal and international standards. The unit should enter commercial operation in September this year.

In the same time, minister of economy and finances Varujan Vosganian said the unit 1 in NPP would not be stopped until the end of August due to unfavorable hydrology, as it was the case in the same period 2003. The national power system operates normally, minister confirmed.

§ § §

38 % reduction in profit for Petrom (Romania)

In the first half of 2007, oil company Petrom reported 1.67 billion euros of incomes, which was 14 % lower comparing to last year. In the same time, net profit reduced by 38 % down to 273 million euros. Executive general manager of Petrom said the results were expected, due to appreciation of national currency, lower crude oil prices and lower oil sales. The situation was improved by the natural gas division, which slightly increased incomes.

In the same period, the company invested 406 million euros (74 % increase), where 65 % of the funds was invested in oil production and research, 25 % in refining activities and 10 % in natural gas sector.

§ § §

Electricity prices not to increase from September (Serbia)

In the last moment, government of Serbia decided not to approve the increase in electricity prices starting from September 1. According to minister of trade, Predrag Bubalo the price increase should be postponed for 6 months.

Previously, the management board of Power utility of Serbia (EPS) accepted the proposal of Regulatory energy agency (REA) for average increase in electricity prices of 4.6 % starting from September 1, and it was expected the government would approve the increase. According to proposal, electricity prices for the households should rise by 1.9 %, while industrial customers should pay 5 % higher electricity prices. Starting from September 1st, the new methodology for setting the prices also supposed to be effective. The new methodology, for the first time, will separate production, transmission and distribution costs in the final electricity prices. The current average price of kWh in Serbia is 4.8 eurocents (no VAT), while the last increase in electricity price occurred in mid May this year.

Minister of energy and mining Aleksandar Popovic believes the price increase was justified, but the government decided to postpone new prices and new tariff methodology in order not to affect standard of life and due to high inflation rate recorded in August. On the other hand, Popovic earlier pointed out that even if the 4.6 % price increase were approved, it would not have provided funds needed for investments in new power plants. It should only cover operational expenses of EPS, Popovic said. He also confirmed the preparation of documentation for the projects TPP Kolubara B and

unit 3 in TPP Nikola Tesla B should be finished in October, after which the tender for strategic partners should be launched.

§ § §

EPS to invest 380 million euros in 2007th (Serbia)

By the end of the year, Power utility of Serbia (EPS) should invest overall amount of 380 million euros. Nevertheless, Regulatory energy agency (REA) believes the level of investments should be increased in the next several years.

The main reason for necessary investments is estimated increase in electricity consumption and electricity deficit, REA believes. In the same time, electricity prices in the region would be generally high due to delays in construction of new power plants. In addition, the rise in investments will be the consequence of the Energy treaty, where Serbia was obliged to fulfill EU environmental standards, REA reminded.

EPS should increase investments for modernization and enlargement of power plants, distribution networks and new coalmines. REA approves increase in electricity prices, but also calls for reduction of expenses, reduction of distribution losses, increase in collection rate and payment of old debts.

The management of EPS and government of Serbia should adopt the development program, which should define strategy for the national company and long-term policy for electricity prices, REA concluded.

§ § §

Continuation of negotiations with Gazprom (Serbia)

Minister of energy and mining Aleksandar Popovic announced that the delegation of Russian Gazprom would visit Serbia in the beginning of September. On September 5, Russians will visit underground natural gas storage facility in Banatski Dvor, as well as some other potential sites for construction of new storage facilities. Minister believes two parties would discuss various topics related to natural gas sector.

In December last year, Serbia and Gazprom signed Memorandum of understanding for construction of natural gas pipeline across Serbia, the cost of which is estimated at some 1 billion euros. In the beginning of August, Popovic said the Gazprom had not yet decided whether to extend the South stream pipeline across Serbia.

The MoU envisaged the Serbia and Gazprom should establish joint workgroup, the task of which would be to prepare all necessary paperwork for the project. The original deadline for establishment of workgroup was July 1 this year, while the workgroup was not established yet.

Popovic visited Moscow in June this year, where he met Russian minister of industry and energy. Two parties discussed construction of natural gas pipeline, completion of storage facility in Banatski Dvor, the construction of system of natural gas storage facilities in Serbia and construction of natural gas pipeline Nis-Dimitrovgrad.

In the related news, general manager of Public gas company Srbijagas, Milos Milankovic, announced that, in the end of August, the company and Russian experts would start evaluation of the storage capacity in Banatski Dvor. The main aim of this procedure is to give the final assessment regarding the capacity of the storage facility.

According to earlier estimations, the overall capacity is 800 billion cubic meters. Srbijagas received an offer by Russian-Serbian company Jugorosgas for delivery of natural gas for Banatski Dvor in August and September this year.

§ § §

Electricity import starts on September 1st (Serbia)

Power utility of Serbia (EPS) contracted import of 201.9 GWh of electricity in period September 1 2007-January 31 2008. The electricity will be delivered by ATEL (36.7 GWh), EGL (73.4 GWh) and EFT (91.8 GWh).

The most favorable suppliers were selected in accordance to public procurement procedure.

§ § §

Customers in the largest cities owe 185 million euros for electricity (Serbia)

According to the latest data, households and industrial customers in three largest cities in Serbia, i.e. in Belgrade, Nis and Novi Sad, owe some 185 million euros of unpaid electricity bills.

Customers in Belgrade owe some 115 million euros, i.e. 63 million euros is owed by companies and the rest by households. Some 52 % of households pay electricity bill on time, which entitles them to 5 % discount. Overall numbers of customers in capital Belgrade and surrounding counties is 730,000.

In city of Nis, overall electricity debt reached 63 million euros, where the households owe 48 million euros. Officials from local electricity distributor confirmed the disconnections of customers due to unpaid bills take place on daily basis.

In Novi Sad, overall electricity debt reached 7.6 million euros, while local distribution company announced disconnection of debtors every day (some 120 to 300 customers each day) and filing the lawsuits.

Tenders:

Electricity

Company / organization:	EAR, related Kosovo
Overhaul of Overburden System for Sibovc South West Mine	
Content:	<p>Bucket Wheel Excavator and Spreader</p> <p>The works consist of the overhaul of the existing Excavator and Spreader as part of an overburden removal system in the Kosovo lignite mines. The contract/s will be based on the FIDIC "Conditions of Contract for Plant and Design-Build" First Edition 1999 (Yellow Book).</p> <p>The project concerns the rehabilitation of a Bucket Wheel Excavator SRs 1300 for excavating of overburden transported by a belt conveyor system and dumped by a Spreader and the rehabilitation of a Spreader for dumping of overburden excavated by the BWE. The Hopper car is to be delivered as new, matching in capacity and size to BWE and conveyor belt line, while the tripper car shall be refurbished and shall match the conveying capacity as it was designed for. Design and installation of operational control, electrical system, and technical diagnostic system for BWE and Spreader will be part of scope of the works as well.</p> <p>This project will lead to increasing the reliability of coal supply to the existing generation units and prepare the system for the operation of the new Sibovc South West Mine.</p> <p>Lot 1: Overhaul of Bucket Wheel Excavator SRs 1300 Lot 2: Overhaul of the Spreader A2RSB 4400 x 60</p>
Deadline:	24 September 2007 at 17hrs00 (CET)..
Contact:	<p>European Agency for Reconstruction</p> <p>E-mail: luisa.lopez@ear.europa.eu</p> <p>Copy to: majlinda.statovci@ear.europa.eu</p>

Company / organization:	EAR, related Kosovo
Overhaul of Overburden System for Sibovc South West Mine	
Content:	<p>Supply of mechanical and electrical parts and components for Conveyor Line B-1600 for Sibovc South West Mine</p> <p>The project concerns the design, manufacturing and delivery of mechanical and electrical parts and components for overhaul of conveyor line 1600 mm belt width, in order to increase the reliability of coal supply to the existing generation units and prepare the conveyor belt for the operation in the new Sibovc South West Mine.</p> <p>Under Lot 1 for supply of mechanical parts and components for the conveyor line are foreseen to be delivered the suitable 320 kW belt drive gear boxes with heating including necessary connection material and claw coupling with brake drum to the motor, flange coupling to the belt drum and related adapter frames (one for brake and one for electrical motor), double shoe drum brake including brake thrusters with internal limit switch, drive drum (including bearings, bearing houses and flange coupling between drum and drive gear), special tool set for hydraulic disassembling and assembling of the flange coupling discs, take-up pulley, parabolic baffle plates (impact walls).</p> <p>The aim of Lot 2 for supply of electrical parts and components is to deliver the slip-ring 6kV, min 320 kW AC motors for the required belt drive gear boxes under the Lot 1.</p> <p>Lot 1: Supply of mechanical parts and components for conveying line 1600 mm belt width. Lot 2: Supply of electrical parts and components for conveying line of 1600 mm belt width</p>
Deadline:	17 September 2007 at 17hrs00 (CET).
Contact:	<p>European Agency for Reconstruction</p> <p>E-mail: luisa.lopez@ear.europa.eu</p> <p>Copy to: majlinda.statovci@ear.europa.eu</p>

Company / organization:	EBRD, related Bulgaria
Kozloduy Nuclear Power Plant – General	
Content:	<p>The following notice refers to goods, works and services to be procured through open tendering for projects financed by the Kozloduy International Decommissioning Support Fund which is administered by the European Bank for Reconstruction and Development.</p> <p>For more information, please visit http://www.ebrd.com/oppo/procure/opps/goods/general/070803a.htm</p>
Deadline:	3 Aug 2008 at 24:00, Kozloduy time
Contact:	<p>Mr. Daryll Jones Fax. + 359 973 7 4508 E-mail: kpmu@npp.bg</p>

Company / organization:	EAR, related Serbia
Construction of 400 kV Electricity Transmission Line from Nis – Leskovac	
Content:	<p>The project purpose is the implementation of works for the construction of the 1st phase of the Serbian part of the HV transmission line Niš – Skopje 400 kV transmission line, to be implemented in two phases. Phase 1 will be the construction of the line from Niš 2 substation to Leskovac.</p> <p>The works project will include: manufacturing, constructing and erecting towers, stringing lines and civil works</p>
Deadline:	19 November 2007, 12 hrs, Belgrade time
Contact:	Ana.Milenic@ear.europa.eu

Company / organization:	EAR, related Kosovo
Construction of Fly ash Load out, Storage silos and Mixing Facilities for Stan Trg Mine, re - launch	
Content:	<p>The contract consists of Construction of Fly ash Load out, Storage silos and Mixing facilities for Stan Trg Mine in order to provide continuous supply of fly ash from Kosovo Energy Corporation (KEK) power plant, to fill the voids left after the extraction of ore at Stan Trg mine.</p> <p>The project includes the construction works for fly ash load out facilities at KEK power plant and construction of storage and mixing facilities at Stan Trg mine including design, steel and reinforced concrete works, electronic and mechanical fittings and other appropriate works..</p>
Deadline:	11 October 2007 at 17:00 hrs CET.
Contact:	<p>Operational Centre Pristina Procurement Unit Head of Procurement Unit 1, Kosovo Street Pristina, Kosovo UNMIK Fax: + 381 38 51 31 308 E-mail: kwinten.joniaux@ear.europa.eu</p>

Company / organization:	EBRD, related Bosnia and Herzegovina
Stanari Thermal Power Plant Project	
Content:	<p>EFT-Thermal Power Plant Stanari" Ltd., member of Energy Financing Team Group, is considering applying in its own name or through a joint-venture to be established with a strategic partner, to the European Bank for Reconstruction and Development (EBRD) for a loan towards the co-financing of the construction of 420 MW lignite fired Power Thermal Plant Stanari.</p> <p>The power plant will be located near the town of Stanari, 70 km east of the city of Banja Luka. The new plant will be fuelled by lignite from the nearby Stanari lignite mine.</p> <p>The proposed power plant will require engineering, procurement and construction of a supercritical, single unit lignite fired power plant of 420 MW nominal capacity, pursuant to a "turnkey" engineering, procurement and construction ("EPC") contract.</p> <p>The plant shall be equipped with all necessary facilities including a complete flue gas treatment system, indirect dry cooling system, process water and water management system, coal storage and handling system, ash disposal system and ancillaries.</p> <p>The power plant shall be designed to fulfill the following objectives:</p> <ul style="list-style-type: none"> • Gross efficiency of at least 43% • High level of availability • Automated to a high degree, including flexible operating characteristics • Compliance with National and European Union environmental requirements. <p>Tendering for the EPC contract is expected to begin in September 2007 with pre-qualification of applicants. Procurement of services, supply, installation and works will be carried out following the results of a tender process.</p> <p>Contracts to be financed with loans from the EBRD will be subject to its Procurement Policies and Rules. The proceeds of the EBRD'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 or official regulation of the purchaser's country.</p>
Deadline:	27 Jul 2008 at 24:00, Belgrade time
Contact:	<p>Danilo Milosevic Chief Mechanical Engineer Energy Financing Team Ltd. Bulevar Mihaila Pupina 10b/II Belgrade, Serbia Tel: +381 11 3011 061 Fax: +381 11 3011 053 email: danilo.milosevic@eft-group.net</p>

Company / organization:	EBRD, related Romania
Iasi District Heating Project	
Content:	<p>This General Procurement Notice (GPN) updates the first GPN for this project published in Procurement Opportunities, on 6 February 2006 with the Ref: 5189-GPN -35162.</p> <p>S.C. Centrala Electrică de Termoficare (CET).Iași S.A. has received a loan from the European Bank of Reconstruction and Development and intends using the proceeds for refurbishment of the city district heating.</p> <p>The Project, which has a total estimated cost of about €31.8 million, proposed to be financed by the Bank, the Swiss Government and S.C.CET Iasi S.A, will require the procurement of the following goods and works:</p> <ul style="list-style-type: none"> - Supply and Installation of thermal modules (expected to be partly donor funded) - Supply and Installation of the equipment in the Central Sub-stations, including the automation equipment (expected to be partly donor funded) - Rehabilitation Works for the Central Sub-stations, including Buildings Rehabilitation - Rehabilitation Works for the Heat Distribution Network <p>Tendering for the above is expected to start in the 1st quarter 2007.</p> <p>Contracts to be financed with the proceeds of a loan from the bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	25 Apr 2008 at 24:00, Iasi time
Contact:	Centrala Electrica de Termoficare Iasi (CET) SA Project Implementation Unit Contact name: Mrs. Buzea Doina Address: Calea Chisinaului Street, no. 25 Iasi; Postal code: 700265 Iasi, Romania Phone: +40-232-231675 Fax: +40-232-231675

Company / organization:	EAR, related Serbia
Construction of 400 kV Electricity Transmission Line from Nis – Leskovac	
Content:	<p>The project purpose is the implementation of works for the construction of the 1st phase of the Serbian part of the HV transmission line Niš – Skopje 400 kV transmission line, to be implemented in two phases. Phase 1 will be the construction of the line from Niš 2 substation to Leskovac.</p> <p>The works project will include: manufacturing, constructing and erecting towers, stringing lines and civil works.</p>
Deadline:	19 November 2007, 12:00 hrs local time
Contact:	Ana.Milenic@ear.europa.eu Procurement Unit; European Agency for Reconstruction Vasina 2-4, 11000 Belgrade, Serbia

Company / organization:	EBRD, Serbia
Electric Power Industry of Serbia	
Content:	<p>This notice updates the General Procurement Notice for this project which was posted on the EBRD website on 19 November 2003.</p> <p>Electric Power Industry of Serbia (EPS) is constructing and conducting an installation of a reliable overburden removal system at Tamnava West lignite mine financed from a loan from the European Bank for Reconstruction and Development (EBRD) and the Kreditanstalt fuer Wiederaufbau (KfW).</p> <p>EPS has applied for an EBRD loan for the realization of the following parts of the new lignite mining system:</p> <ul style="list-style-type: none"> • New Bucket Wheel Excavator • New Belt Conveyor system (co-financed by KfW) • New shifting devices <p>EPS has further applied for KfW loan for the following parts of the new system:</p> <ul style="list-style-type: none"> • Parts of the new belt conveyor system • New power supply system • Spreader integrating new and available parts <p>Tendering process is completed and contract realization for the above goods and services is ongoing and project completion is planned for the second quarter of 2009.</p>
Deadline:	12 Jun 2008 at 24:00, Beograd time
Contact:	Mr. Slobodan Mitrović or Mr. Aleksandar Gajić Tel.. + 381-11-397-1926 Fax: + 391-11-397-1923 e-mail: slobodan.mitrovic@eps.co.yu or aleksandar.gajic@eps.co.yu

Company / organization:	EBRD, related Bulgaria
Pernik District Heating Rehabilitation Project	
Content:	<p>Toplofikacia Pernik EAD, hereinafter referred to as "The Employer", intends using part of the proceeds of a Grant from the Kozloduy International Decommissioning Support Fund (KIDSF) administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of "Pernik District Heating Rehabilitation Project". The project has accumulated savings of €180,000 which is intended to be used for Construction and Installation Works (CIW) needed for the rehabilitation of the heat transmission network.</p> <p>Contracts to be financed with the KIDSF grant will be subject to the Bank's Procurement Policies and Rules. Tendering for contracts to be financed with the proceeds of a grant administered by the Bank is now open to firms from Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Portugal, Spain, Sweden, Switzerland, UK, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, the Netherlands, Poland, Romania, Slovakia, Slovenia, all the so called PHARE and countries of EBRD operations.</p>
Deadline:	12 Jun 2008 at 24:00, Pernik time
Contact:	eng. Gergana Koleva Moshino, CHP Plant Republika 2303 Pernik, Bulgaria Tel./Fax.: +359 (076) 670 675

Company / organization:	NEK, related Bulgaria
Bridge Financing for the Belene NPP Project	
Content:	Natsionalna Elektricheska Kompania EAD has announced a tender to raise debt financing in the amount of MEUR250. This credit facility will be used to finance the design, procurement of equipment and civil works (construction and erection works) under the Project for Construction of NPP Belene during the first year of its implementation. This period is planned for implementation of the first phase of the Project that mainly covers design and preparatory works and within this period of 1 year NEK in its capacity as the company responsible for the development of the Project will complete the process of its structuring. The purpose of this credit facility will be to play the role of bridge financing until the required financial resources are provided for the complete implementation of the Project for construction of NPP Belene. Therefore NEK EAD as Borrower intends to repay entirely the credit immediately after the financial close of the Project is achieved or to keep the credit on its balance sheet with option for long term repayment. The announcement is published on the page of the Public Procurement Agency http://www.aop.bg and in the Supplement to the Official Journal of the European Union http://ted.europa.eu . The documents for participation in the public procurement procedure may be obtained at the Head Office of NEK EAD or via e-mail upon submission of a document evidencing payment of the documentation fee of 500 Euro. The payment may be made either at the pay-office of NEK EAD or by bank transfer to the NEK account: IBAN: BG35KORP92201400534102, BIC: KORPBGSF in Corporate Commercial Bank AD.
Contact:	Yulian Kiossev, tel. (+3592) 9263490 ykiossev@nek.bg.

Company / organization:	EBRD, related Bosnia and Herzegovina
Power Distribution Reconstruction Project	
Content:	<p>This GPN updates the notice published on the EBRD website on 11 November 2005. Bosnia and Herzegovina has applied for a loan from the European Bank for Reconstruction and Development ("The Bank") towards the cost of reconstructing and modernising the electricity distribution infrastructure in Bosnia and Herzegovina, enabling the three local power utilities (Elektroprivreda Bosne Hercegovine ("EPBIH"); Elektroprivreda Republike Srpske ("EPRS") and Elektroprivreda Hrvatske Zajednice Herceg Bosne ("EPHZHB")) to improve reliability and quality of electricity supply, reduce losses and improve energy efficiency.</p> <p>The proposed project has a total estimated cost of Euro 55 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> <p>Tendering for contracts under (c) above was completed in June 2006. Procurement for goods & services and works under (a) and (b) above has started and should be completed by December 2007.</p>
Deadline:	2 Jun 2008 at 24:00, Mostar time

Contact:	Mr. Josip Jerkovic PIU Director Tel:+387 36 323 788 Fax:+387 36 322 831 Email: josip.jerkovic@epzhb.ba
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Company / organization:	EBRD, related Romania
Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress	
Content:	<p>The Kazakhstan Electricity Grid Operating Company (KEGOC) has received a loan from the European Bank for Reconstruction and Development, and it intends to use part of the proceeds of the loan for payments under the contract for consulting services for Management and Monitoring of Construction Contract implementation process. The assignment is expected to be carried out in three Phases as described below.</p> <p>Phase I</p> <p>1.1 Supervision of quality assurance by Contractor and PIU during implementation of survey work and design estimates.</p> <p>1.2 Quality and the accepted technical solutions assessment during elaboration of design estimates.</p> <p>1.3 Final review and approval of the made up design estimates for the construction of 500 kV OTL 500 kV Agadyr SS– 500 kV YuKGRES SS.</p> <p>Phase II</p> <p>2.1 Managerial and monitoring support during contracting.</p> <p>2.2 Analyses of the results of the tests performance for the quality conformance of the equipment and materials supplied under the project to the quality and technical characteristics operated together with KEGOC JSC specialists. Tests results evaluation.</p> <p>2.3 Quality assurance surveillance by the Contractor and PIU during implementation of the construction and erection works.</p> <p>2.4 Environmental measures monitoring during implementation of the construction and erection works.</p> <p>2.5 Verification of implementation according to the PIP and review of any changes to the PIP.</p> <p>2.6 Verification of the proper use of available funds.</p> <p>2.7 Submit periodic activity reports as may be requested from time to time by KEGOC.</p> <p>Phase III</p> <p>3.1 Confirmation of the Project Completion in accordance with the PIP and preparation of a Project Completion Report</p>

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