

**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

**November (1) 2007 issue of Balkan Energy NEWS, with limited data.**

**Request free trial / latest issue on news@balkanenergy.com**

**Disclaimer:**

All rights reserved by Balkan Energy Solutions Team. No part of this publication may be reproduced, redistributed, or in any other way copied as a whole or partially without written permission of Balkan Energy Solutions Team. This includes internal distribution.

Balkan Energy Solutions Team does not warranty the accuracy of the published data contained in this document, although Balkan Energy Solutions Team did great efforts to collect the data from the respectable and accurate sources.

**In this issue:****Analysis:**

- » Existing small hydro power plants in Montenegro and plans for their privatization

**News headlines****Regional:**

- » Russia to ease demands for Bourgas- Alexandropoulos pipeline, the project to continue in 2008

**Albania:**

- » The government approved construction of HPP and undersea power cable
- » Announcements for construction of nuclear power plant
- » 8 companies submitted bids in tender for import of electricity
- » 32.78 million euros as emergency help to KESH in 2008

**Bosnia and Herzegovina:**

- » Joint construction of HPP Ugar
- » Acting general manager of EP BiH appointed
- » Strategic partners of EP BiH to be selected in November

**Bulgaria:**

- » Agreement for South stream project to be signed in January 2008
- » CEZ finished merger of three electricity distributors
- » Enel to invest in natural gas and wind farms
- » Confusion regarding the EU approval for NPP Belene

**Croatia:**

- » HEP and Terna signed the contract for feasibility study for undersea power cable
- » MOL finalized purchase of Tifon
- » NPP Krsko finished one-month overhaul
- » Koncar to put in service its first wind generator
- » HEP and Dalekovod jointly to build wind farms, HEP continues large scale projects
- » Dalekovod to build new 400kV power line toward Hungary

**Greece:**

- » RWE interested in cooperation with PPC
- » REA proposed liberalization of electricity prices for industrial customers
- » PPC approved RES business plan
- » Natural gas pipeline toward Turkey to be inaugurated on November 18
- » 4 billion euros investment plans approved, PPC to halt restructuring for six months

**Macedonia:**

- » ESM disconnected several state institutions from power grid
- » Changes in Energy law presented
- » Start of production in coalmine Brod-Gneotino

**Montenegro:**

- » KfW Bank, World bank and government agreed on the study for Adriatic-Ionian gas pipeline
- » EPCG in favor of construction of HPP Boka
- » Head of coalmine Pljevlja proposed privatization and merger with TPP Pljevlja
- » EPCG and Terna signed the contract for the feasibility study for undersea power cable
- » 6.8 % increase in electricity prices

**Romania:**

- » All bids for strategic partnership in NPP Cernavoda accepted
- » 20 % increase in natural gas import from Russia
- » Decision on energy holdings company to be reached in this year
- » Green Energy Group to invest 300 million euros in wind farms
- » Electricity prices could be unchanged in beginning of 2008
- » Transelectrica and Terna signed cooperation agreement

**Serbia:**

- » Liberalization of oil import
- » New equipment in Kolubara coalmine
- » 900 million euros to be invested by NIS
- » Vice prime minister in favor of construction of nuclear power plants
- » EPS to demand increase in electricity prices

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

## 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.

1000	1022	Slovenia	2009	1113	1043	978	838
948	1134		2010	12287	1083	991	1054
881	1077		2011	12590	955	1051	1127

OPCOM

Annual electricity consumption in GWh								
	12		Year	Sum	1	2	3	4
016	1120		2007	11182	1027	891	953	850
95	1089		2008	11570	1094	998	1012	911
61	1054		2009	10994	1099	932	963	818
000	1156	Bosnia and Herzegovina	2010	11722	1074	979	1016	910
086	1157		2011	12186	1155	1038	1075	938
105	3307		2008	34509	3299	2969	2960	2037
987	3185	Bulgaria	2009	32729	3211	3196	3196	2636
770	3257		2010	31954	3486	3052	3021	2443
647	3167		2011	33452	3475	3107	3037	2577
115	1640		2008	17842	1680	1543	1570	1599
671	1648	Croatia	2009	17507	1625	1530	1551	1323
571	1681		2010	17474	1655	1536	1568	1358
463	1688		2011	18174	1655	1536	1568	1358
477	1688		2008	17842	1680	1543	1570	1599
453	1688		2009	17507	1625	1530	1551	1323
471	1688		2010	17474	1655	1536	1568	1358
439	1688		2011	18174	1655	1536	1568	1358
311	4521	Greece	2007	53504	4652	4271	4401	3894
194	4734		2008	53504	4652	4271	4401	3894
073	4734		2009	53504	4652	4271	4401	3894
352	4734		2010	53504	4652	4271	4401	3894
44	4734		2011	53504	4652	4271	4401	3894
10	5134	Montenegro	2007	7576	862	747	753	486
94	5134		2008	7576	862	747	753	486
57	5134		2009	7576	862	747	753	486
913	5134		2010	7576	862	747	753	486
925	5134		2011	7576	862	747	753	486
164	4791	Romania	2009	50636	4736	4288	4473	3803
992	5134		2010	53365	4971	4472	4727	4111
908	5134		2011	53365	4971	4472	4727	4111

## Country Reports on Energy Business in South Eastern Europe

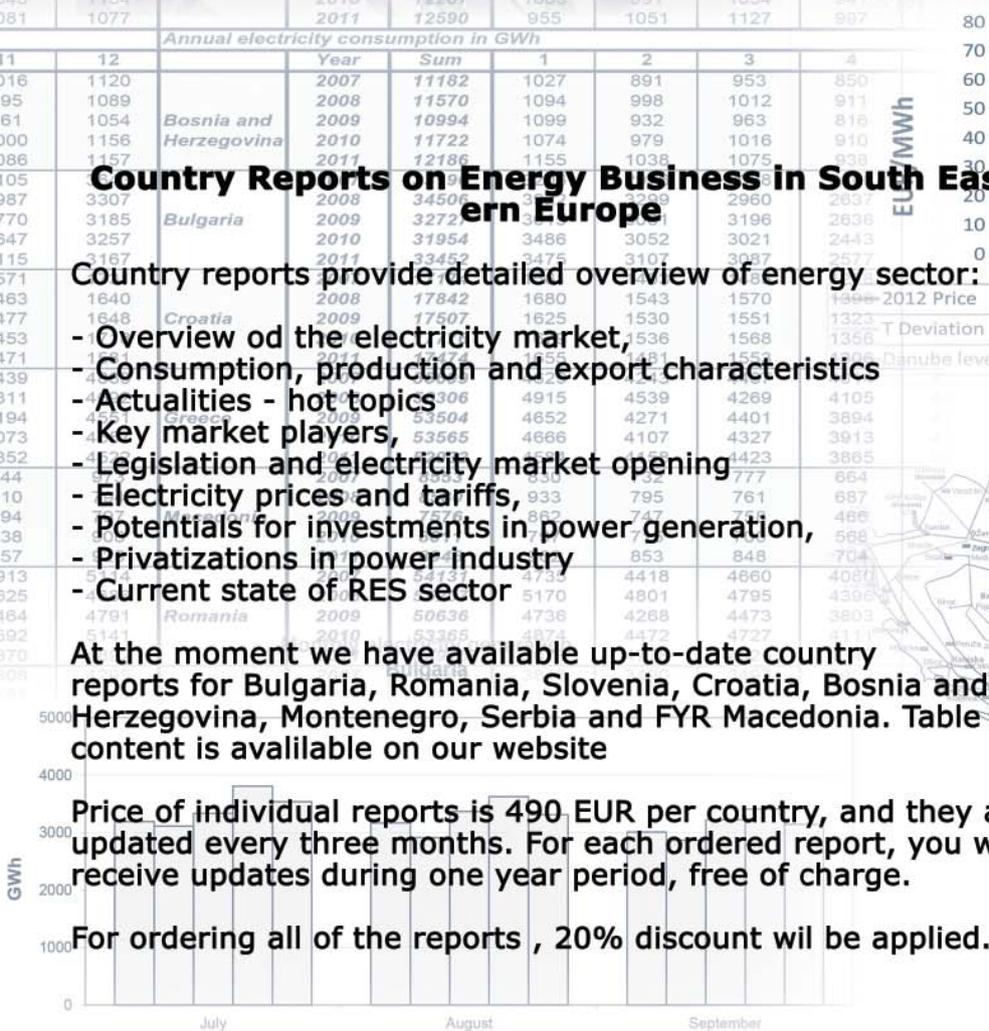
Country reports provide detailed overview of energy sector:

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

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

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.

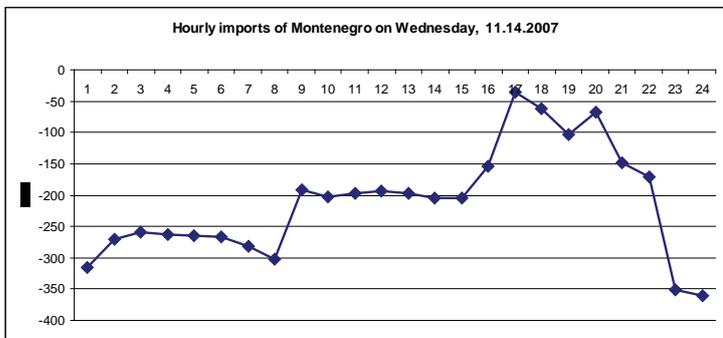
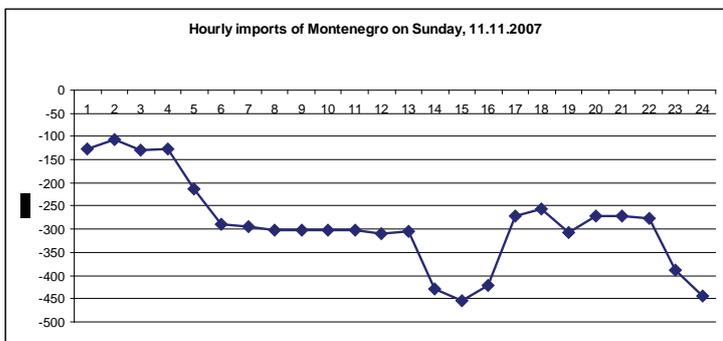
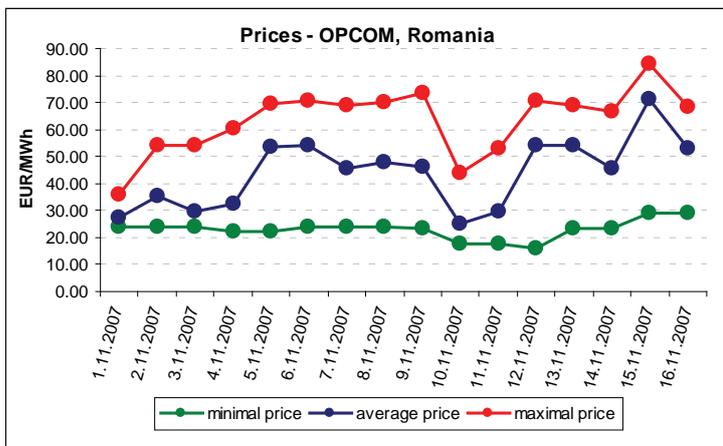
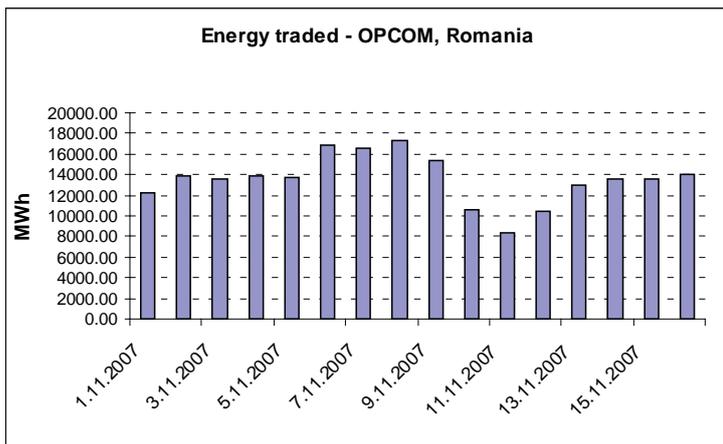
For ordering all of the reports, 20% discount will be applied.



	1	2	3	4	5	6
2009-2012 Price	55.23	69.87	47.81	43.6	40.39	41.1
ST Deviation	1.2	-6.6	2.7	2.1	1.2	4.1
Danube level	25.5	34	34.5	37	38.5	39.5



**Power exchanges data:**



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

In the period from 1.11.2007 till 16.11.2007:  
 Montenegro maximum daily consumption: 14.63 GWh  
 Montenegro maximal hourly consumption: 700 MWh

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	312.942	23.45
2	248.151	17.59
3	233.123	17.59
4	231.528	17.59
5	232.068	17.59
6	245.011	17.59
7	266.856	17.59
8	269.909	17.59
9	306.470	17.59
10	327.068	20.52
11	334.584	22.84
12	327.433	22.84
13	332.242	22.84
14	348.950	23.45
15	339.664	22.84
16	351.924	23.45
17	418.018	23.45
18	475.561	37.96
19	543.136	52.77
20	524.675	52.77
21	498.793	51.30
22	429.593	43.97
23	356.849	29.32
24	380.498	23.45
<b>Total</b>	<b>8,335.046</b>	

Opcom, Romania: Energy Traded on Sunday, November 11, 2007

Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	566.071	23.95
2	597.050	23.95
3	583.821	23.65
4	564.918	23.65
5	552.759	23.65
6	558.589	23.95
7	424.164	23.95
8	487.463	44.91
9	592.040	50.60
10	579.363	53.59
11	628.148	53.59
12	646.645	53.59
13	601.056	52.39
14	591.514	44.91
15	599.801	35.93
16	596.214	35.93
17	569.629	38.92
18	607.092	49.40
19	625.222	53.59
20	608.301	56.58
21	620.632	56.58
22	544.103	44.91
23	472.431	30.24
24	400.501	8.98
<b>Total</b>	<b>13,617.527</b>	

Opcom, Romania: Energy Traded on Wednesday, November 14, 2007

### Tables with offered Available Transfer Capacities (ATC) in Balkan region for December 2007

NOS BIH - Bosnia & Herzegovina						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > BIH	-	-	540	-	-	01.-31.12.2007.
Montenegro > BIH	-	-	550	-	-	01.-31.12.2007.
Serbia > BIH	-	-	250	-	-	01.-31.12.2007.
EXPORT						
BIH > Croatia	-	-	570	-	-	01.-31.12.2007.
BIH > Montenegro	-	-	490	-	-	01.-31.12.2007.
BIH > Serbia	-	-	300	-	-	01.-31.12.2007.

ESO - Bulgaria						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Bulgaria	-	-	50	-	-	01.-03.12.2007.
	-	-	50	-	-	04.-31.12.2007.
Romania > Bulgaria	-	-	100	-	-	01.-03.12.2007.
	-	-	300	-	-	04.-31.12.2007.
Greece > Bulgaria	-	-	0	-	-	01.-03.12.2007.
	-	-	200	-	-	04.-31.12.2007.
EXPORT						
Bulgaria > Serbia	-	-	450	-	-	01.-03.12.2007.
	-	-	350	-	-	04.-31.12.2007.
Bulgaria > Romania	-	-	100	-	-	01.-03.12.2007.
	-	-	100	-	-	04.-31.12.2007.
Bulgaria > Greece	-	-	0	-	-	01.-03.12.2007.
Bulgaria > Greece	-	-	400	-	-	04.-31.12.2007.

OPS HEP - Croatia						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Croatia	-	-	-	-	400*	01.-31.12.2007.
Slovenia > Croatia	-	-	-	-	250	01.-31.12.2007.
Serbia > Croatia	-	-	-	-	125	01.-31.12.2007.
BIH > Croatia	-	-	-	-	85	01.-31.12.2007.
EXPORT						
Croatia > Hungary	-	-	-	-	200*	01.-31.12.2007.
Croatia > Slovenia	-	-	-	-	150	01.-31.12.2007.
Croatia > Serbia	-	-	-	-	150	01.-31.12.2007.
Croatia > BIH	-	-	-	-	120	01.-31.12.2007.

\* Common auction conducted by MAVIR

MAVIR - Hungary						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Hungary	500	200	300	100	200	01.-31.12.2007.
Romania > Hungary	200	100	100	100	0	01.-31.12.2007.
Serbia > Hungary	500	100	400	250	150	01.-31.12.2007.
EXPORT						
Hungary > Croatia	1200	200	1000	598	402	01.-31.12.2007.
Hungary > Romania	350	100	250	150	100	01.-31.12.2007.
Hungary > Serbia	450	100	350	200	150	01.-31.12.2007.

\* Common auction conducted by MAVIR

Transelectrica - Romania						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Bulgaria > Romania	200	100	50	0	50	01.-31.12.2007.
Serbia > Romania	200	100	50	50	0	01.-31.12.2007.
Hungary > Romania	350	100	125	25	100	01.-31.12.2007.
Ukraine > Romania	100	0	100	100	0	01.-04.12.2007.
	250	0	250	100	150	03.-09.12.2007.
	200	0	200	100	100	10.-16.12.2007.
	250	0	250	100	150	17.-31.12.2007.
EXPORT						
Romania > Bulgaria	200	100	50	50	0	01.-03.12.2007.
	400	100	150	50	100	04.-31.12.2007.
Romania > Serbia	500	100	200	50	150	01.-31.12.2007.
Romania > Hungary	200	100	50	50	0	01.-31.12.2007.
Romania > Ukraine	0	0	0	0	0	01.-31.12.2007.

EMS - Serbia						December 2007.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Serbia	450	100	350	0	175	01.-31.12.2007.
Romania > Serbia	500	100	400	125	75	01.-31.12.2007.
Bulgaria > Serbia	550	100	450	0	225	01.-03.12.2007.
	450	100	350	0	175	04.-31.12.2007.
Macedonia > Serbia	280	100	180	0	90	01.-31.12.2007.
Albania > Serbia	260	50	210	0	105	01.-31.12.2007.
Montenegro > Serbia	350	150	200	0	100	01.-31.12.2007.
BIH > Serbia	400	100	300	100	50	01.-31.12.2007.
Croatia > Serbia	400	100	300	0	150	01.-31.12.2007.
EXPORT						
Serbia > Hungary	500	100	400	0	200	01.-31.12.2007.
Serbia > Romania	200	100	100	0	50	01.-31.12.2007.
Serbia > Bulgaria	150	100	50	0	25	01.-31.12.2007.
Serbia > Macedonia	430	100	330	0	165	01.-31.12.2007.
Serbia > Albania	260	50	210	0	105	01.-31.12.2007.
Serbia > Montenegro	360	150	210	110	50	01.-31.12.2007.
Serbia > BIH	350	100	250	100	25	01.-31.12.2007.
Serbia > Croatia	350	100	250	0	125	01.-31.12.2007.

\* No price information available

General remark: Sign - in all tables means that data is not available

TTC (Total Transfer Capacity), TRM (Transmission Reliability Margin) and NTC (Net Transfer Capacity) values in previous tables, represents commonly correlated values, given per each border and per each direction on the respective border. (Please note that some of TSOs on their web sites publish only one-half of the NTC value, i.e. their own part of NTC, and therefore NTC data can be different)

AAC (Already Allocated Capacity) value represents part of transmission capacity allocated earlier by TSO in which table this value appears.

ATC (Available Transfer Capacities) value represents amount of transmission capacity, which will be offered by the TSO in which table this value appears to the interested market participants through allocation procedure: usually by pro-rata or explicit auctions method. (Please note that some of TSOs on their web sites within their ATC value publish ATC part of the neighboring TSO, and therefore ATC data can be different)

### Weather conditions

	17.11.	18.11.	19.11.	20.11.	21.11.
<b>Albania</b>	T: 5-12	T: 2-10	T: -1-12	T: 3-13	T: 1-12
<i>Tirana</i>	W: NE 14 R: 5	W: N 11 R: 5	W: NE 19 R: -	W: NE 12 R: -	W: NE 11 R: -
<b>Bosnia and Herzegovina</b>	T: -3--3	T: -7--2	T: -8-1	T: -5-5	T: -6-10
<i>Sarajevo</i>	W: NE 12 R: -	W: N 6 R: -	W: NE 9 R: -	W: NE 6 R: -	W: - R: -
<b>Bulgaria</b>	T: 3-3	T: -2-0	T: -5--2	T: -4-2	T: -5-6
<i>Sofia</i>	W: NE 11 R: 8	W: N 9 S: 7	W: NE 14 R: -	W: NE 6 R: -	W: L-V R: -
<b>Croatia</b>	T: -4--3	T: -4-1	T: -4-0	T: -4-2	T: -6-4
<i>Zagreb</i>	W: NE 12 R: 6	W: N 4 R: -	W: E 6 R: -	W: SE 6 R: -	W: SE 8 R: -
<b>Greece</b>	T: 13-20	T: 11-17	T: 10-16	T: 11-16	T: 11-15
<i>Athens</i>	W: SE 17 R: -	W: SW 14 R: 22	W: N 25 R: 12	W: NE 30 R: -	W: NW 19 R: -
<b>Macedonia</b>	T: -5-3	T: -8--2	T: -8--2	T: -9-0	T: -8-1
<i>Skopje</i>	W: NE 17 R: 6 S: 12	W: N 11 S: 7	W: NE 20 R: -	W: NE 9 R: -	W: - R: -
<b>Montenegro</b>	T: 4-10	T: 2-8	T: 0-11	T: 3-13	T: 1-15
<i>Podgorica</i>	W: NE 19 R: 3	W: N 12 R: 5	W: NE 19 R: -	W: NE 12 R: -	W: E 6 R: -
<b>Romania</b>	T: 3-5	T: 1-2	T: -3-0	T: -3-2	T: -2-7
<i>Bucharest</i>	W: NE 19 R: 10	W: NE 25 R: 5 S: 3	W: NE 12 R: -	W: NE 6 R: 2	W: NE 6 R: -
<b>Serbia</b>	T: 0-0	T: -2-1	T: -3-2	T: -2-5	T: -1-9
<i>Belgrade</i>	W: NE 17 R: 0.3 S: 6	W: N 19 R: 4 S: 3	W: NE 6 R: -	W: L-V R: -	W: SE 4 R: -

## Average weather conditions for November

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
<b>Bosnia and Herzegovina</b> <i>Sarajevo</i>	1.6	9.7	94.0	10.0
<b>Bulgaria</b> <i>Sofia</i>	1.2	9.6	48.0	9.0
<b>Croatia</b> <i>Zagreb</i>	1.8	9.3	84.8	12.2
<b>Greece</b> <i>Athens</i>	9.8	18.1	58.3	9.7
<b>Macedonia</b> <i>Skopje</i>	1.4	11.2	56.0	9.0
<b>Montenegro</b> <i>Podgorica</i>	6.8	15.4	239.0	14.0
<b>Romania</b> <i>Bucharest</i>	1.6	10.0	49.0	6.0
<b>Serbia</b> <i>Belgrade</i>	4.0	11.0	54.0	12.0

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

S: Snow in cm

## Danube water-level

relevant for:

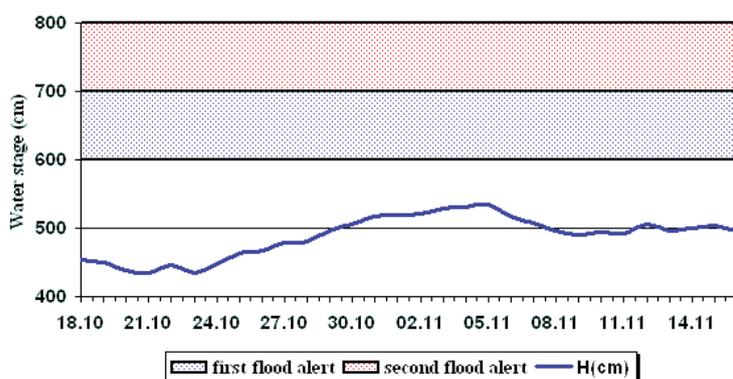
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

Water stage for later 30 days



## Analysis:

## Existing small hydro power plants in Montenegro and plans for their privatization

Montenegro has favorable conditions for hydro power utilization due to large amounts of rain and large vertical drops although rivers mostly have a small quantity of flow.

Montenegro has 1 800 GWh/year of already utilized water energy, which is 18% of estimated 9 900 GWh/year of water energy. From 1982 till today, no new electrical energy generation facility has been made. In the mean time, total consumption from 1980 till today has increased for around 3 times, due to industrial consumption and increase of use of electrical energy for cooling and heating. In first 9 months of 2007, total production of electrical energy in Montenegro was 1.36 GWh, which is 40.3% lower production comparing with same period in 2006, and 23% lower than planned production for that period. Consumption in first 9 months was 3.27 GWh. This situation is resulted by unfavorable hydrological situation in whole Southeast Europe and longer revitalization of TPP Pljevlja.

Government is making efforts to improve current energy situation (high import, old production and transmission equipment, great but not used potential for new hidro generation capacities). According to Energy Strategy of Montenegro, until 2025, 3.5% of the electricity demand in the country should be covered from SHPP (currently, less than 1%).

According to Montenegro's law, maximum output in small hydro power plant (SHPP) is 10 MW. EPCG would be obliged to purchase electrical energy from SHPP at variable price that is calculated as average of price of electricity produced in TPP Pljevlja and import price, with added transmission costs. This methodology is adopted in July 2007. Montenegro imports one third of overall electricity consumption.

## Technically possible and realized potential of main rivers of Montenegro

River	Installed power	technically possible GWh/year	Realized GWh/year
Moraca	740	1520	0.15
Zeta	330	1060	985
Piva	700	1600	870
Tara	540	1600	3.4
Lim	280	935	0
Cehotina	55	160	0
Ibar	25	55	0
Rest	2	2	1.6
<b>Total</b>	<b>2672</b>	<b>6932</b>	<b>1861</b>

The development of SHPP in Montenegro has started in 1937. They were mostly supplying surrounding villages, not connected to main network, since demand for energy was low. Later on, SHPP were integrated in national electricity grid. There are 7 SHPPs in Montenegro and their privatization is expected to be initiated before end of 2007. Government announced several times in last years that priva-

tization of these SHPPs is going to happen soon, but tender for that still has not been announced.

#### Existing small hidro power plants in Montenegro are:

1. SHPP Glava Zete has been constructed in 1953 with installed power of 2x2680kW and annual production of 11.35 GWh/year. It has Kaplan type of turbine, with a rotation speed of 375 rpm and water flow of 14.5 m<sup>3</sup>/s per turbine. Each generator has rated power of 3200 KVA, and it is connected to 4000KVA substation. This run-on-river SHPP is designed for continuous (24h/day) work. Currently it is not in good condition, due to old equipment. It is possible to increase dam head for around 2m (5 meters currently) which would result increasing generator power to 2 900 KW. It is located on river Zeta.

2. SHPP Slap Zete, constructed in 1952 has installed power of 2x600kW and annual production of 4 GWh/year. Kaplan type of turbine, with a rotation speed of 250 rpm and water flow of 13 m<sup>3</sup>/s per turbine. Each generator has rated power of 1200 KVA, connected to 1000 KVA substation. This mass concentrate run-on-river SHPP has problems with a water loss due to soil. Correction of this problem could result with significant increase of produced energy (estimated to 2GWh). Also located on river Zeta.

3. SHPP Rijeka Musovica is constructed in 1950, with installed power of 3x420KW and annual production of 2.45 GWh/year. It has Pelton turbine, with a rotation of 500 rpm and water flow of 0.35 m<sup>3</sup>/s per turbine. Each generator has rated power of 650 KVA and it is connected to 1000 KVA substation. Production increase of this SHPP could be reached for up to 1 GWh/year with a reconstruction of aged equipment and redirection of new water sources. Located on river Levaja.

4. SHPP Savnik, is constructed in 1937 and reconstructed in 1987, with installed power of 2x100kW and annual production of 0.8 GWh/year. It has Francis type of turbine, with a rotation speed of 1000 rpm and water flow of 0.5 m<sup>3</sup>/s per turbine. Each generator has rated power of 3200 KVA and it is connected to 400 KVA substation. This is automatic controlled run-on-river SHPP, with no large maintenance operation needed and no possibilities for increasing production. Located on river Savnik.

5. SHPP Lijeva Rijeka, constructed in 1987, with installed power of 55 kW with an annual production of 0.2 GWh/year. Banki type turbine has rotation speed of 710 rpm and water flow of 0.22 m<sup>3</sup>/s. Generator has rated power of 110 KVA and it is connected with 100 KVA transformer. Since this is new SHPP, there are still no problems with its operation. Located on river Grbi Dol.

6. SHPP Rijeka Crnojevica is constructed in 1937 and reconstructed in 1980, with installed power of 555 kW and annual production of 1.1 GWh/year. IT has Ossberger turbine, with rotation speed of 1000 rpm and water flow of 3.0 m<sup>3</sup>/s per turbine. One generator is connected to 630 KVA substation. This SHPP has low annual production, 30% of planned in a last few years, due to insufficient rainfalls and generator problems. Increase in production is possible by reconstruction of existing tail race. Located on Rijeka Crnojevica River.

7. SHPP Podgor, constructed in 1939 and reconstructed in 1979 has installed power of 395 KW and annual production of 1 GWh/year.

It has Ossberger turbine, with a rotation speed of 510 rpm and water flow of 0.9 m<sup>3</sup>/s. Generator, with rated power of 465 KVA is connected to 400 KVA substation. This power plant is out of operation since 1997, due to lack of water and malfunctions. Located on river Oraostica.

**Total power: 9.025 MW**

**Total production: 21 GWh/god**

On 2nd of October 2006, council of EPCG shareholders (66.7 % owned by government, 12.1 % by citizens, 20.2 % by privatization fund) discussed about selling 5 SHPP (Rijeka Musovica, Rijeka Crnojevica, Podgor, Savnik and Lijeva Rijeka). In that moment, it was estimated that bookkeeping value of these SHPPs is 1.48 million euros and that 905 000 euros needed to be invested in renewal.

Estimated investments in renewal were following:

- in SHPP Rijeka Musovica: 520 thousand euros
  - in SHPP Podgor around 130 thousand euros
  - in SHPP Savnik 105 thousand euros
- and in the smallest SHPP Lijeva Reka, around 10 thousand euros.

In 2006, these five SHPP produced only around 7 GWh, which is 0.23 % of overall annual power production in the country. Operation costs for them were 65 000 euros, what mean that only operational costs (mostly employees) made electricity cost of around 9 eurocents per kWh.

Privatisation incomes were to invest in two remaining SHPP, Glava Zete and Slap, and they would remain in property of EPCG. Price that will be paid for electricity produced in these SHPPs should be to be 7 eurocents per kWh.

#### News:

#### Russia to ease demands for Bourgas- Alexandropoulos pipeline, the project to continue in 2008 (Region)

According to latest announcements, Russia decided not to demand purchase of Greece and Bulgaria's stake (each 24.5 %) in Bourgas-Alexandropoulos project. In the same time, Russia will no longer demand from Greece and Bulgaria to provide oil supplies for the future pipeline in relation to ownership share. Also, Russia will not demand financial guarantees in case of non-delivery. This was said by minister of economy and energy of Bulgaria, Peter Dimitrov, after he visited Russia. Minister signed the annex to the project, which defined that Russia will guarantee deliveries for the pipeline. It was also agreed that transit fees should be paid to the International project company, while the profit should be distributed proportionally to the owners. The project could be started in April 2008.

As a reminder, the Bourgas- Alexandropoulos oil project has fallen behind the schedule, where Greece and Bulgaria blamed Russian side for lack of progress. The project was officially supported after presidents of Russia, and prime ministers of Greece and Bulgaria signed a trilateral agreement in Athens in the first half of March this year. The main problem was the demand of Russian companies to Greek and Bulgarian partners to provide their own oil supplies for the pipeline, in relation to ownership percentage. Greece and Bulgaria argued that such condition was not mentioned in the trilateral agreement.

In the same time, official from Bulgaria's ministry of regional development and public works confirmed that International project company could be established in January next year. The officials

confirmed that Russian company Transneft and Bulgarian Project Company Burgas-Alexandroupolis Oil Pipeline BG signed cooperation protocol in the first half of November.

Greek development minister Christos Folias also visited Russia in order to prepare the meeting of prime minister Costas Karamanlis scheduled for December. The minister wanted to revive the Bourgas-Alexandroupolis project, which entered stagnation.

The minister also met its counterpart and representatives of Russian oil and gas companies in order to discuss construction of the oil pipeline and transit of natural gas from Russia to Western Europe across Greece.

In Moscow, minister Folias also had talks regarding the extension of natural gas supply agreement between Russia and Public gas corporation (DEPA). The agreement expires in 2016, while Russia and Greece talked about possible extension until 2040 and increase in annual deliveries by 80 %. The negotiations also referred to new gas pipeline that will go across Greece, where Russia was interested for new pipeline between Greece and Turkey, which will be inaugurated on November 18.

§ § §

### **The government approved construction of HPP and undersea power cable (Albania)**

The government of Albania approved a start of two energy projects, i.e. the construction of hydropower plant (HPP) and construction of undersea power cable.

Italian company Tassara-Geotecna-Kinglor (TGK) was granted a concession for construction of 550 MW HPP Skavice on Drim River. The cost of the project was estimated at 600 million euros.

The construction of undersea power cable between Italy and Albania was granted to Swiss based ASG Power consortium. The worth of the project is 700 million euros, while this project is a part of larger, 2.5 billion euros project that includes construction of natural gas fired plants and LNG terminals.

§ § §

### **Announcements for construction of nuclear power plant (Albania)**

Prime minister of Albania, Sali Berisha, confirmed that Albania has serious plans for construction of nuclear power plant (NPP), where the NPP should be built in medium term period. Berisha called for preparation of detailed legal framework and negotiations with Atomic Energy International Agency, which should provide necessary help to Albania. Berisha said it would ask from governments of Macedonia, Montenegro as well as from Kosovo to support Albania in this project.

The construction of NPP will not be funded through public funds, Berisha said. He invited Westinghouse or any other interested companies to consider investing in NPP in Albania.

In the first half of November, Westinghouse and Camozzi Holding presented project for construction of NPP and plant for production of spare parts in nuclear industry in city of Durres. In the same time, economic advisor of government of Albania said that French-Swiss

consortium had also prepared plans for construction of NPP near Durres.

In related news, minister of economy, trade and energy, Genc Ruli, told before the parliamentary committee that Albania should reconsider construction of NPPs.

By construction of NPP, Albania hopes not only to cover its electricity needs but also to become electricity exporter to Balkan countries and Italy. This was confirmed by Berisha during the Italian-Albanian business conference in Tirana. The plans of Albania met opposition in Greece, but in the same time drawn interest from Italy, which forbade construction of NPPs on its own territory. According to Italian press, Albanian and Italian Terna has been negotiating on construction on undersea power cable.

On the other hand, according to experts from the region, if Albania decides to build the NPP, it would be most likely built near Skadar Lake, close to border with Montenegro. Expert from Serbia even believes that Albania and Montenegro should reconsider joint construction of NPP, having in mind considerable electricity deficit in both countries.

In the related news, president of Montenegro, Filip Vujanovic, said that potential construction of NPP in Albania would be sensitive for Montenegro and he announced talks between two governments. Vujanovic expected further information from Albania before its planned meeting with president of Albania, Bamir Topi.

§ § §

### **8 companies submitted bids in tender for import of electricity (Albania)**

Albanian power corporation (KESH) confirmed that 8 companies submitted bids in the tender for import of electricity in December this year and in year 2008. The bids were submitted by EFT, EGL, Rudnap, RET, ATEL, Gen-I from Slovenia and Gen-I from Serbia, and GSA. The bids by EFT, EGL, Rundap, and ATEL were submitted by e-mail. The head of tender commission announced that submission of bids through e-mail would be obligatory in new tenders, which will be in accordance to new procurement law.

KESH demanded to purchase overall amount of 2.450 TWh, for which offered to pay 222.05 million euros. The requested amount of electricity is divided in five lots.

The first lot refers to import of 234.36 GWh in period December 1-31 2007, for which KESH offered to pay 89.91 euros/MWh.

The second lot refers to import of 895.440 GWh in period of January 1-March 31 2008, for which KESH offered to pay 94.65 euros/MWh.

The third lot refers to import of 436.8 GWh in period of April 1-June 30 2008, for which KESH offered to pay 80.69 euros/MWh

The fourth lot refers to import of 441.6 GWh in period of July 1-September 30 2008, for which KESH offered to pay 90.56 euros/MWh

The fifth lot refers to import of 441.6 GWh in period of October 1-December 31 2008, for which KESH offered to pay 92.83 euros/MWh

The bidders offered electricity to KESH at average price of 83.4 euros/MWh, where the highest recorded price of 94.47 euros/MWh was demanded by RET for delivery of 21.84 GWh during the second lot. The lowest recorded price in the tender of 63.5 euros/MWh was demanded by GSA for delivery of 44.16 GWh during the third lot.

Rudnap, EFT and Atel offered the highest amount of electricity in almost all lots.

In 2007, Albania should pay overall amount of 162.8 million euros for electricity import.

§ § §

### **32.78 million euros as emergency help to KESH in 2008 (Albania)**

Minister of economy, trade and energy, Genc Ruli, said that the government decided to grant 32.78 million euros fund to Albanian power corporation (KESH). These funds should be used only in case of emergencies in power system.

Ruli reminded that one of the most important issues for KESH is to increase the collection rate of electricity bills and not to rely on government's subsidies.

Minister believes that problems in electricity supply in the country will be solved in 2009. According to him, electricity demand should rise 6 % per year.

In the same time, the head of KESH, Gjergj Bojaxhi, announced there would be no increase of the power cuts in the incoming months, despite the increase in consumption.

In the related news, in the beginning of November, Greece has been demanded from KESH to reduce electricity import in order to allow higher electricity import for itself. Albania refused this and continued to import some 10 GWh of electricity per day at the time. The issue is expected to be discussed by highest officials from power companies of two countries.

§ § §

### **Joint construction of HPP Ugar (Bosnia and Herzegovina)**

Governments of Federation of Bosnia and Herzegovina (BiH) and Republic of Srpska (RS) announced to establish joint venture for construction of hydropower plant (HPP) on river Ugar. The HPP Ugar should have power output of 40 MW, while cost of the project is estimated at 40 million euros. Two governments should invest equal funds in the project, where part of the funds should be provided through loans.

Milorad Dodik, the prime minister of RS, believes that the future company will be registered very soon. He also said that there should be no problems regarding funding the project. It should take several months for preparing the blueprints and studies for the project, Dodik said. Dodik also called for cooperation of two entities in future projects, where one of them should be construction of HPP Buk Bijela.

§ § §

### **Acting general manager of EP BiH appointed (Bosnia and Herzegovina)**

New supervising board of Power utility of Bosnia and Herzegovina (EP BiH), after the dismissal of the old one, during its first session reached a decision for dismissal of general manager Enver Kreso and appointment of new acting general manager, Amer Jerlagic.

Jerlagic was appointed as acting general manager for period of 60 days. Before the latest appointment, Jerlagic was director of electricity distribution company in capital Sarajevo.

During his inauguration speech, Jerlagic said that EP BiH should be one of the leading power companies in the region, having in mind business results and electricity losses. He announced that company's profit in 2007 should be 11 % higher comparing to last year. New head of the company is against the privatization of company, quoting the examples of Slovenia and saying the energy sector is the most important capital of the state of BiH. New general manager announced large investments in distribution networks in accordance to EU standards.

Jerlagic also confirmed that financial police started inquiry in EP BiH. According to press reports, the police should investigate allowances of former management of the company during the renewal of units in the largest thermal power plant (TPP) in the country, the TPP Tuzla and several other cases. The police should also investigate funds in EP BiH that were used for media campaign against the government. In addition, the financial investigators should check the business relations between EP BiH and strategic partners selected in tender procedure, with which EP BiH signed additional annexes.

The abovementioned developments came after long lasting disputes over serious issues between minister of energy and mining, Vahid Heco, and former general manager, Enver Kreso. The latest dispute between minister of energy and former general manager of EP BiH occurred after EP BiH announced to acquire 100 million euros loan from the company registered on Cayman Islands. The loan arrangement was not approved by the government, which is the majority owner in the company.

The press in BiH believes that energy lobby led by minister of energy made a victory over former management of EP BiH led by Enver Kreso and former head of supervising board, Rasim Gracanovic. Sources believe that former management of EP BiH and the government argued over control of future investments in EP BiH, which were estimated at 2.5 billion euros. After the public invitation launched by the government in the last year, 38 companies expressed interest for construction of new power plants in BiH.

§ § §

### **Strategic partners of EP BiH to be selected in November (Bosnia and Herzegovina)**

Minister of energy and industry of Federation of Bosnia and Herzegovina, Vahid Heco, announced that strategic partners for construction of eight power plants, i.e. four hydro power plants (HPPs) and four thermal power plants (TPPs) should be reached by the end of the November. Minister said this in parliament of BiH during his presentation of current status of energy sector of the country. The presentation was later supported by the parliament.

Among 38 companies that expressed interest for cooperation, the government selected Austrian APET, Kazakhs Kaztransgaz, German EnBW and Czech CEZ. Minister Heco did not specify which company would be involved in particular projects. Most likely, one or more companies should be allowed to participate in construction of one HPP and one TPP. The decision on strategic partners should be approved by the parliament.

In either case, the future strategic partner should build power plants in cooperation with Power utility of BiH (EP BiH) and Power utility of Herceg Bosnia (EP BiH), where all new power plants should be equally owned by power companies and strategic partners.

The national power companies should invest construction sites and energy sources (coal and water), while strategic partners will be obliged to invest funds and technology. The invested funds should be repaid by delivery of electricity.

The strategic projects in energy sector in BiH refer to construction of Ustikolina (3 x 22 MW), Vranduk (21 MW), Rmanj (2 x 36 MW), Vrilo (42 MW) and TPPs Tuzla (370 MW), Kakanj (250 MW), Bugojno (2x300 MW) and Kongora (2x275) MW.

Minister Heco reminded that existing TPPs in the country should be decommissioned by 2029, while the first new power plant could be operational in 2013.

In the same time, minister Heco announced that government should continue with merger of coalmines and power companies, restructuring of distribution companies and creation of single power system in the country. Some 130 million euros should be needed for investments in coalmines.

Heco also believes that the sale of electricity by EP BiH through tender procedure, which was agreed by dismissed management of EP BiH, was illegal having in mind it was carried out before the energy balance for the next year was adopted.

§ § §

### **Agreement for South stream project to be signed in January 2008 (Bulgaria)**

Bulgarian minister of economy, Petar Dimitrov, announced that Bulgaria and Russia would sign an agreement for start of South stream natural gas project in January 2008, which should happen during the visit of Vladimir Putin to Sofia. Dimitrov said this during his visit to Moscow in the beginning of November. During the meeting, Dimitrov and Russian minister of energy and industry signed a joint statement for construction of new natural gas pipeline.

The future pipeline should be extended toward Austria and Italy, and it should transport 30 billion cubic meters of gas. Bulgarian minister said the Bulgaria hopes to benefit from transit fees and to provide natural gas deliveries to Europe. Dimitrov believes that one of the main issues would be guarantees for usage of the pipeline at full capacity. According to Bulgarian official, the project is not an alternative to other projects and all other gas supply and transit contracts between Bulgaria and Russia will be effective until 2030.

The Bulgarian and Russian officials also discussed construction of nuclear power plant (NPP) Belene, which will be built by Russian AtomStroyExport. Dimitrov also met the chairman of the management board of Gazprom, Aleksey Miler, where two parties discussed South stream project, the construction of oil pipeline Bourgas-Alexandropoulos and further cooperation between Russia and Bulgaria in oil industry. Gazprom reminded it has been exporting natural gas to Bulgaria since 1974, while export in 2006 amounted at 3.2 billion cubic meters. Russia is the sole natural gas supplier of Bulgaria, where Bulgaria transits Russian natural gas to Turkey, Greece and Macedonia.

According to previous news, the Bulgarian officials went to unexpected visit to Moscow in order to demand Russian guarantees for oil and natural gas supplies, i.e. for Bourgas-Alexandropoulos and South stream project. Dimitrov said the guarantees for South Stream project could be also provided by Italian Eni, which will own the most of the natural gas to be transited. According to some sources, Russia demanded from Bulgaria to sign the declaration of political commitment regarding the project, but Sofia refused this. Bulgaria

earlier said it would demand that natural gas company Bulgargaz should own majority stake in the joint venture that will be involved in the project.

Prior the meeting in Moscow, Dimitrov visited his Italian colleague, Pier Luigi Bersani also to discuss South stream project.

As a reminder, in mid-2007, Gazprom and Eni signed the memorandum for the South Stream project. The exact route of the pipeline was not decided yet, but the pipeline will most likely run from Russian port of Berezovaya, the same starting point as for Blue stream pipeline, and further to Bulgarian coast, under the Black sea.

§ § §

### **CEZ finished merger of three electricity distributors (Bulgaria)**

Czech CEZ confirmed it has finished merger of its three Bulgarian electricity distributors. The merger was initiated in order to reduce costs and to increase the efficiency, and it was approved by Sofia City Court.

After the merger, almost 400 employees are found to be redundant, but they will be given a chance to apply for 134 new jobs created by merger. CEZ Bulgaria employs some 3,400 people.

In 2005, CEZ bought 67 % stake in electricity distributors in western Bulgaria, along with electricity distributor in Sofia. Overall worth of the transaction reached 281 million euros.

§ § §

### **Enel to invest in natural gas and wind farms (Bulgaria)**

Italian Enel expressed interest for investing in natural gas sector and wind energy projects in Bulgaria, the CEO of Enel, Fluvio Conti said in the sideline of World energy forum in Rome. Enel believes that Bulgaria could be electricity and natural gas export hub.

A year ago, Enel and Bulgarian state owned gas company, Bulgargaz, signed agreement on strategic partnership. In the same time, Enel is looking for options to build 15-30 MW wind farm near Gurkovo area as well as to invest in solar power plants. Enel is also one of the potential strategic partners in project for construction of nuclear power plant (NPP) Belene.

§ § §

### **Confusion regarding the EU approval for NPP Belene (Bulgaria)**

The confusion regarding the approval of construction of nuclear power plant (NPP) Belene was initiated after National electric company (NEK) issued official press release on November 6 in which it claimed that EU approved the project.

A day after, the spokesman of EU energy commissioner, Andris Piebagis, Ferran Terradellas said to the Bulgarian news agency (BTA) that the final decision was not reached yet. The spokesman could not give the exact date of the final decision. On the other hand, sources from European commission said the project was approved by experts, yet it still to be voted on by commissioners.

NEK said that European commission concluded that project was not in violation of Euroatom treaty so that NEK and Russian AtomStroyExport could continue the project.

In 2006, European commission has been notified on the agreement signed between NEK and future constructor, the AtomStroyExport, in accordance to article 105 of Euroatom treaty. Article 105 refers to agreements concluded with third parties prior to the EU accession of candidate countries.

In the related news, Bulgaria decided to establish fund for financing the university training of staff of future NPP Belene. The NPP should require 529 employees by 2013, including 56 % of university graduates, officials from NEK said. 184 people should be required to have 2 to 9 year of experience in NPPs. The main problem was the fact that Bulgarian universities in this moment do not produce enough nuclear engineers, which should be changed by new special fund, deputy minister of education said.

According to latest news, NEK and AtomStroyExport have been still negotiating over compensation for old equipment delivered in 1990s to the site of NPP Belene. Bulgaria demands 300 million euros for the reactor, while Russians are willing to pay only 100 million euros.

§ § §

### **HEP and Terna signed the contract for feasibility study for undersea power cable (Croatia)**

Croatian transmission system operator (HEP-OPS) and Italian transmission system operator (Terna) signed the contract for making the feasibility study for undersea power cable between two countries. The news was confirmed by the spokesman of Terna.

The first results of the study could be expected by the end of the year. The future cable should have power capacity between 500 and 1,000 MW. The construction of the cable is the part of Terna's five-year business plan for the period 2007-2011, which envisages construction of two electricity links with Balkans.

§ § §

### **MOL finalized purchase of Tifon (Croatia)**

Hungarian MOL said it had finalized takeover of oil company Tifon, so that Tifon, starting from November 1, will officially become the part of MOL. The takeover was concluded a month after regulatory bodies approved the acquisition.

The negotiations and acquiring of necessary approvals took nine months, after MOL and Tifon agreed on the transaction, MOL said. The latest takeover is aimed to strengthen the MOL's market position in the region, the official report said. The report did not disclose any financial details regarding the transaction. According to estimations made by Croatian experts, MOL paid between 100 and 140 million euros for Tifon.

Tifon has 36 well-situated petrol stations all over Croatia and it has been involved in construction of 20 petrol stations, which should be completed in two years. Average annual sales reported by Tifon reached 4.2 million liters and it is expected the company could reach 7 % market share by the end of the year.

MOL, which owns 25 %+ one share in Croatian oil industry (INA),

confirmed that both INA and government of Croatia supported the purchase of Tifon.

§ § §

### **NPP Krsko finished one-month overhaul (Croatia)**

On November 7, the reactor in nuclear power plant (NPP) Krsko was put in operation after finishing one-month overhaul. The officials from NPP confirmed the overhaul was very demanding in regards to its extent and scope. Apart from employees in NPP, 1,100 external experts took part in the overhaul. Among other things, the 53 nuclear rods were replaced and the security equipment and systems were modernized, official press release said.

§ § §

### **Koncar to put in service its first wind generator (Croatia)**

Chairman of the management board of Koncar, Darinko Bago, confirmed that Koncar will put in service its first wind generator near city of Split in the beginning of next year. The future wind farm will have 16 generators, Bago said. The wind generators will have power output of 1 MW and it should be installed on 60m tall poles. Koncar is the only company in Croatia that has developed its own wind generators.

§ § §

### **HEP and Dalekovod jointly to build wind farms, HEP continues large scale projects (Croatia)**

Croatian power utility (HEP) and Dalekovod signed the cooperation agreement for construction of wind farms in Croatia. Two companies plan to build 100 MW wind farm near city of Zadar in the end of 2008, while the cost of the project is estimated between 130 and 140 million euros. According to the officials from Dalekovod, the wind measurements have been carried out at some 20 sites in Croatia. The company recently established renewable energy sources department called Dalekovod Eko.

The latest data showed that ministry of economy, labor and entrepreneurship received requests for construction of even 1,800 MW in wind farms. Croatian officials believe that these data showed that country has become one of the most attractive regions for construction of wind farms. Deputy minister of economy, labor and entrepreneurship, in charge for energy, said that even four investors are interested for one construction site in some cases. He said that Croatia would soon establish special register of potential investors in wind farms in Croatia.

Head of HEP, Ivan Mravak, reminded that company has been currently involved in construction of hydropower plant (HPP) Lesce and construction of new units in combined heat power plant (CHP) Zagreb and thermal power plant (TPP) Sisak. HEP also plans to build two 400 MW natural gas fired plants in Slavonija and Dalmatia provinces as well as new coal fired 500 MW TPP. In the same time, the company will be involved in construction of 400kV interconnection line Ernestinovo-Pecuj, undersea power cable toward Italy and reconstruction of national dispatching center. This was said during the CIGRE symposium held in Cavtat

According to estimations, due to increase in fuel prices, increase in price of imported electricity and drought, HEP should report only

6.8 million euros of profit in this year, which should be considerably lower comparing to previous years. Nevertheless, the price of electricity in Croatia will not rise this year, deputy minister of economy, labor and entrepreneurship said.

§ § §

### **Dalekovod to build new 400kV power line toward Hungary (Croatia)**

On November 14, Croatian transmission system operator (HEP-OPS) and Dalekovod signed the contract for construction of Croatian part of the double 400kV interconnection line Ernestinovo (Croatia)-Pecs (Hungary). The worth of the contract is 21.7 million euros and the deadline for the project is December 1 2009. The overall length of the line is 86.4 km, where Croatian part is 44.1 long. An overall cost of the construction of the new interconnection line is estimated at some 40 million euros.

The new power line has local importance for Croatia (for supplying regions of Slavonija and Baranja), but also has the regional importance having in mind that line lies on important supply route in direction north-south.

The construction of line Ernestinovo-Pecs was previously supported by HEP-OPS and Hungarian counterpart, Mavir, which signed the contract in July this year. The entire line should be put in service in 2010.

§ § §

### **RWE interested in cooperation with PPC (Greece)**

German RWE expressed interest for cooperation with Public power corporation (PPC), the spokesman of RWE said. According to him, the talks between RWE and PPC are in early stage, where two companies negotiate on several options for cooperation. The companies still did not sign the memorandum of cooperation, spokesman said.

On the other hand, if the cooperation agreement was reached, RWE should control 51 % stake in new ventures (power plants, renewable energy sources, natural gas, expansion projects, etc), while the rest will be controlled by PPC.

PPC also said in a report to stock exchange that talks are in early stage and related only to specific projects.

According to sources, the strategic partnership with RWE could be approved during the next meeting of board of directors. In the same time, the union of workers in PPC, the Genop, said in a statement that it would block announced agreement with RWE.

§ § §

### **REA proposed liberalization of electricity prices for industrial customers (Greece)**

Regulatory energy agency (REA) proposed to ministry of development to liberalize electricity prices for high voltage customers.

According to data from 2006, the incomes from industrial customers amounted to 363 million euros, while their consumption stood

at 7.775 TWh. If the proposal was accepted, the prices for industrial customers could rise by 7 % in the first phase.

In the related news, REA did not approve potential involvement of Public power corporation (PPC) in natural gas company DEPA, since it would breach EU antimonopoly regulations. PPC recently decided to exercise its right to acquire 30 % stake in DEPA. According to sources, if PPC were not allowed to use its right, the company would demand compensation from the state.

§ § §

### **PPC approved RES business plan (Greece)**

Board of directors of Public power corporation (PPC) approved business plan for its subsidiary involved in renewable energy sources (RES), PPC Renewables. The business plan envisages construction of 950 MW in RES until 2014, for which 2 billion euros should be spent. Earlier plans envisaged construction of 900 MW until 2012. The funds for the project in period 2008-2011 will be partly provided by PPC, which should invest some 330 million euros.

In this moment, PPC operates some 90 MW in RES (large hydropower plant are not included), where market share reaches 10 %, while target value for 2012 was set at 20 %. The government of Greece expects that energy companies should invest over 4.5 billion euros by 2010, in order to reduce dependence on oil.

In the related news, PPC Renewables confirmed it acquired license for large, 500 MW, solar power park and that it will cooperate with S&B Industrial Minerals for the development of the Milos island geothermal field, the largest one in Greece.

§ § §

### **Natural gas pipeline toward Turkey to be inaugurated on November 18 (Greece)**

Turkish minister of energy Hilmi Guler said that the official inauguration of natural gas pipeline between Greece and Turkey would take place on November 18. The ceremony on the Evros River on the Greek-Turkish border will be attended by prime ministers from two countries. New 300km pipeline will connect Komotini (Greece) and Karacebey (Turkey).

In the same time, high official from Turkish energy ministry announced that Turkey could increase the consumption of natural gas from the new pipeline, which will transport gas from the Shakh Deniz field in Azerbaijan to Greece. According to original plans, Turkey should use 15 % of natural gas transported through new pipeline for its domestic consumption.

In this moment, Turkey has been trying to find more suppliers for Turkey-Azerbaijan pipeline (BTE) in Turkmenistan, Kazakhstan, Iran and Azerbaijan in order to transport gas further to Europe. The capacity of BTE pipeline is between 20 to 22 billion cubic meters per year, while current transport reached 6.6 billion cubic meters, Turkish officials said. The problem is the fact that second phase of development of Shakh Deniz field faced obstacles and it was delayed until 2013.

In July this year, officials from Greece, Turkey and Italy signed the agreement for construction of natural gas network that will transport natural gas from Azerbaijan to Italy. The section toward Italy will be comprised of 600km long continental part of the pipeline

across Greece, and 200km undersea section, so called Poseidon pipeline.

The annual capacity of the pipeline between Greece and Turkey should reach 11.5 billion cubic meters, while annual capacity of Poseidon pipeline should be 8 billion cubic meters and it should be operational in 2012. Overall cost of Turkey-Greece-Italy pipeline is estimated at 1 billion euros, and Italian Edison, Greek Depa and Turkish Botas will operate the pipeline.

§ § §

#### **4 billion euros investment plans approved, PPC to halt restructuring for six months (Greece)**

Board of directors of Public power corporation (PPC) approved the 4 billion euros investment plan, which envisages the replacement capacity program of 3,200 MW in new power plants. This investment program will be the largest even approved.

The projects include construction of five power plants in the mainland, i.e. 800 MW natural gas fired plant in Megalopolis, 450 MW lignite fired plant in Melitis, 450 MW lignite fired plant in Ptolemais, 700-800 MW coal fired plant in Aliveri and 700-800 MW coal fired unit in Larimna. PPC should apply for licenses for construction of these plants to Regulatory energy agency (REA).

The company should also build two 250 MW natural gas fired plants on island of Crete, while PPC should build liquefied natural gas (LNG) terminal in cooperation with Natural gas company (DEPA).

CEO of PPC also informed the board of directors on the ongoing negotiations with RWE, which will be subject to discussion. According to earlier announcements, RWE could own 51 % stake in three aforementioned 800 MW power plants.

The strategic plans include investments in natural gas projects in Southeastern Europe and cooperation with Sencap in electricity projects in the Southeastern Europe.

In the same time, the management of the company, after talks with labor unions, decided to postpone earlier announced restructuring of the company into six subsidiaries for six months. During that period, the necessary studies regarding the restructuring will be prepared.

The labor unions have cancelled strike scheduled for November 12 and 13 after the latest development. Earlier, the union activists broken into CEO's office demanding not to close at least 800 MW in old units.

§ § §

#### **ESM disconnected several state institutions from power grid (Macedonia)**

Power utility of Macedonia (ESM-EVN) stated to impose power cuts to the debtors. The first one to be disconnected from power grid was the state institutions, i.e. regional offices of ministries of culture, justice, agriculture, health and internal affairs. The company Biljana from Ohrid was also disconnected.

According to ESM-EVN, ministries owe millions to the company. ESM EVN explained the latest disconnections as the regular activities, due to large debts. This was the second time the ESM-EVN im-

posed power cuts to the state buildings, saying the company will not tolerate any debtors, no matter who they are.

§ § §

#### **Changes in Energy law presented (Macedonia)**

In mid November, the government of Macedonia presented changes in Energy law.

According to proposals, Macedonian power plants (ELEM) should be granted a license for supplying the electricity to tariff customers in wholesale market, i.e. it would be allowed to deliver electricity directly to Power utility of Macedonia (ESM). The ELEM will be also allowed to export electricity surpluses, but it would be obliged to import missing electricity for tariff customers. ELEM will also manage thermal power plant (TPP) Negotino.

As for ESM, spokesman of the government of Macedonia, Ivica Bocevski, said that technical losses of some 11 % will be recognized as justified expenses of ESM, where ESM will pay these expenses at regulated prices. The rest of technical losses, i.e. some 13 %, will be treated as commercial losses, and ESM will be obliged to compensate these losses in free market. This would be in accordance to privatization contract, Bocevski said. According to experts, this change would certainly imply rise in electricity prices.

Electricity meters should become property of ESM, as well as distribution grid, which should be built by ESM alone. After the changes, the two licenses of ESM, for management of distribution grid and distribution of electrical energy, would be merged into one license.

In the same time, Macedonia's transmission system operator (MEPSO) will be allowed to offer unused transmission capacity to other companies different from ELEM and ESM, by which the company should provide additional revenues.

The liberalization of electricity market for industrial customers should start in January next year, and for household customers in 2015.

According to Macedonian press, the latest proposals of the government will centralize the energy sector, while highest authorities will be given to Vlatko Cingoski, the head of ELEM. After the new changes, the MEPSO will lose its dominant position in electricity sector. Its main task will be to provide transmission services, Bocevski said. As a reminder, the disputes between ELEM and MEPSO were the main reason for dismissal of former head of MEPSO, Atansko Tuneski.

After the latest proposals regarding the treatment of electricity losses, Austrian EVN, the majority owner of ESM, said that electricity prices should rise by 16 %. EVN announced it would file a lawsuit against the state of Macedonia if the parliament accepted the proposals in Energy law, which was mostly supported by ELEM. The EVN believes that the new Energy law will be discriminatory and against the international agreement signed between Austria and Macedonia. EVN said it was unable to collect electricity bills, and that it would be forced to move its investments projects to other countries in the region.

The government responded it would file a lawsuit against EVN, since the Austrians did not obey the terms in privatization contract regarding the planned investments. Vice prime minister, Zoran Stavrevski said that electricity prices should not rise, while this should be decided by Regulatory energy commission (REC) and not by EVN. He said that latest reaction of EVN was motivated by profit reasons.

§ § §

### **Start of production in coalmine Brod-Gneotino (Macedonia)**

In the second week of November, by putting in service the bucket wheel excavator Srs2000, the production in coalmine Brod-Gneotino officially started. New coalmine should provide coal supplies for the largest thermal power plant (TPP) in the country, the TPP Bitola, until 2025.

The reserves in coalmine are estimated at 32 million tons. The worth of the investments in coalmine are estimated at 95 million euros, i.e. 62 million euros for mining equipment and 33 million euros for infrastructure, the director of TPP Bitola, Zoran Konjanovski said. Director said that, starting from 2009, the coalmine should deliver some 2 million tons of coal to the TPP, which would be one third of TPP's overall needs.

Director of Macedonian power plants (ELEM), Vlatko Cingoski reminded that coal reserves in old coalmine Suvodol could provide supplies for TPP Bitola only until 2012. Because of that, the coal production in the new coalmine should have started in this year, but it was delayed for several reasons, director said. According to estimations, the overall coal reserves in area Brod-Gneotino are 110 million tons, while entire Pelagonia basin has 1.5 billion tons of coal reserves, officials said.

§ § §

### **KfW Bank, World bank and government agreed on the study for Adriatic-Ionian gas pipeline (Montenegro)**

In the end of October, the representatives of World Bank, KfW Bank and government of Montenegro agreed on the start of the study for construction of Adriatic-Ionian natural gas pipeline. The future pipeline should be built along Adriatic-Ionian highway, and it should connect Croatia, Montenegro and Albania.

In the end of September in Zagreb, representatives of governments of Croatia, Montenegro and Albania signed Declaration for construction of Adriatic-Ionian gas pipeline. The project was supported by EGL, while future pipeline should be connected to TAP pipeline.

Minister of economic development, Branimir Gvozdenovic, said that Montenegro is highly interested for the project. He confirmed that the participants in the meeting agreed on the establishment of joint Supervising board, the task of which will be to coordinate the activities related to the project with the officials from Montenegro, Croatia and Albania.

The future pipeline is considered as very important for Montenegro, having in mind energy deficit in the country. The overall length of the pipeline should be 400km, where the section in Montenegro should be 100km long. By construction of the pipeline, Montenegro would be able to gasify the largest cities, Podgorica and Niksic, and later the entire country, Montenegro's officials said. Spokesman of the ministry of economic development said the implementation of the project would enable construction of liquefied natural gas (LNG) terminal in Bar port. In case of finding exploitable natural gas reserves in Montenegro's coast, LNG terminal would provide easier and cheaper transport and it would be starting point for construction of natural gas fired plant, spokesman concluded.

According to previous announcements, the overall cost of the project could be around 230 million euros, while the pipeline could be completed in 2011 or in 2012. The pipeline should run from Fier port (Albania) to Ploce port (Croatia).

§ § §

### **EPCG in favor of construction of HPP Boka (Montenegro)**

Power utility of Montenegro (EPCG) confirmed it could start construction of hydropower plant (HPP) Boka near city of Risno, if the project was found profitable. The HPP should use water from Bileca Lake located on the border between Montenegro and Bosnia and Herzegovina, i.e. Republic of Srpska (RS) entity.

The member of board of directors of EPCG, Vojin Djukanovic, said the project would be depending on the negotiations with RS, which has partnership relations with Croatia for more than 30 years regarding the usage of the Bileca Lake. Djukanovic said that RS and Croatia have been also using the water from the Lake that was located in Montenegro.

Djukanovic announced possible arbitration procedure regarding usage of the Lake if two states do not find the solution.

The usage of energy potential of the Lake should be discussed by Montenegro and RS. Minister of economic development of Montenegro, Branimir Gvozdenovic, should soon meet his colleagues from RS in order to discuss this issue. The meeting, scheduled for the first half of November was delayed.

Government of Montenegro believes the HPP Boka would reduce country's electricity deficit. The most likely model for construction of new HPP could be public private partnership, government said.

The general design for construction of HPP Boka has been prepared by Serbian company Energoprojekt, which won in the tender launched by the government of Montenegro. The cost of the project is estimated at 250 million euros, while maximum electricity production of new HPP could reach 1.3 TWh. The HPP could also solve problems with drinking water supply in several coastal municipalities in Montenegro.

§ § §

### **Head of coalmine Pljevlja proposed privatization and merger with TPP Pljevlja (Montenegro)**

Chairman of board of directors of coalmine Pljevlja, Djordje Dzuverovic, believes that the best model for restructuring the coalmine, will be privatization of the company and merger with thermal power plant (TPP) Pljevlja, where state of Montenegro would control 67 % in the future company. It could be done by swap of part of state shares in Power utility of Montenegro (EPCG) and state shares in coalmine Pljevlja, Dzuverovic said. After this was done, the state would keep more than 67 % shares in EPCG too.

Head of Pljevlja coalmine believes the coalmine could not operate without TPP Pljevlja, where the largest obstacles for the company in this moment are the lack of time and funds for restructuring process. The problems for the coalmine are also unresolved debt relations between coalmine and EPCG, inability to acquire mining equipment and lack of investments and capital. Because of that, the most important project in this moment, the dislocation of Cehotina River, is behind the schedule. The management of the coalmine demanded from the government of Montenegro to take a final stand regarding the stable production in coalmine and TPP Pljevlja and their future development.

In the related news, the coalmine Pljevlja said it was unsatisfied with the latest decision of Regulatory energy agency (REA) regarding the coal price for TPP Pljevlja of 21.9 euros per ton. The management announced a lawsuit against REA, claiming the regulatory

body made several omissions while setting the new coal prices. The coalmine demanded price of 28 euros per ton for TPP Pljevlja.

The coalmine announced there would be enough coal during winter season both for TPP and for other customers. In the beginning of November, the coal reserves in the TPP were 50,000 tons. In the first nine months, the coalmine produced 763,000 tons of coal, which was 7 % lower than planned. The production of overburden reached 2.8 million tons (-30 %).

§ § §

### **EPCG and Terna signed the contract for the feasibility study for undersea power cable (Montenegro)**

In the first week of November, Power utility of Montenegro (EPCG), ministry of economic development of Montenegro and Italia's transmission system operator (Terna) signed the Agreement for feasibility study of undersea power cable that should connect power systems of two countries.

Minister of economic development, Branimir Gvozdenovic, said that the construction of new cable would boost investments in the country. The feasibility study is considered as significant since it would analyze existing transmission power system of Montenegro and interconnections with the neighbors. The minister said that project team and management board was established, the task of which would be to coordinate the project. The project would be financed by Italy, where study should be completed by March 31 2008.

Executive director of EPCG, Srdjan Kovacevic, said that the study should evaluate the technical feasibility and economical and energy profitability of future interconnection line, which should be similar to one between Italy and Greece. By construction of the cable, Montenegro would increase security of its transmission system.

§ § §

### **6.8 % increase in electricity prices (Montenegro)**

Starting from October until end of the year, Regulatory energy agency (REA) approved 5.85 % increase in electricity prices for two tariff customers. The price of electricity for two-tariff customers will be 6.65 eurocents/kWh during day and 3.33 eurocents/kWh during night. In the same time, the price of electricity for single-tariff customers will remain the same, 4.8 eurocents/kWh.

The price of electricity for high voltage customers was increased by 12.5 %. The price of electricity for largest industrial customers is regulated by special contract with Power utility of Montenegro (EPCG), so that Aluminum factory will pay 2.97 eurocents/kWh (instead of 2.63 eurocents/kWh), Steel factory will pay 5.68 eurocents/kWh (instead of 5.04 eurocents/kWh), while Railway company will pay 6.44 eurocents/kWh (instead of 5.72 eurocents/kWh). The customers connected to 10kV and 35kV grid will pay 7.72 eurocents/kWh.

The average increase in electricity price for all categories of customers is 6.8 %, officials from REA said.

Director of REA, Dragoljub Draskovic, explained the price increase was approved since EPCG presented the higher expenses comparing to those approved in June. The increase in expenses is mostly related to municipality land taxes, which were not included in previous calculations. After the latest adjustments, REA approved

overall expenses of 232.66 million euros for 2007, although EPCG demanded 238 million euros. The increase in electricity prices could be expected in the beginning of 2008, since the part of expenses for import of electricity was still not approved as well as the payments of EPCG to municipalities, Draskovic said during the press conference.

EPCG said it had spent 73 million euros for electricity import until the October, while overall approved amount for entire year is 76 million euros. In the same time, tax debts toward municipalities reached 14.9 million euros, EPCG said. On the other hand, REA only approved 5.7 million euros of such expenses.

The management of EPCG said it was not satisfied with new electricity prices. According to press release, EPCG believes the latest price increase would not provide investments and profitable operation of the company. After the latest price increases, REA approved additional 1.9 million euros of incomes. On the other hand, after the increase in price of coal, the company would have additional 500,000 euros of expenses in the same period, EPCG pointed out. The management and board of directors of EPCG should decide whether to appeal the latest price increase.

The latest increase in electricity prices was the second one in the last four months. In July, electricity prices have increased by 9.3 % (instead of 15-20 % as demanded by EPCG). After the latest development, government decided to approve 682,000 euros of subsidies for most endangered categories of customers.

§ § §

### **All bids for strategic partnership in NPP Cernavoda accepted (Romania)**

Operator of nuclear power plant (NPP) Cernavoda, the Nuclearelectrica, confirmed it accepted all six bids for construction of units 3 and 4 (700 MW each) in the NPP. The bids were earlier submitted in the end of October by Electrabel, Enel, Iberdrola, CEZ, Arcelor Mittal and RWE. This was also approved by ministry of economy and finance.

Nuclearelectrica said the negotiations with selected companies regarding finalization of partnership, i.e. establishment of joint venture should start in the last week of November and that it could take several months. According to earlier announcements, the joint venture should be established in the beginning of next year. The worth of the project is estimated at 2.2 billion euros, where unit 3 should be operational in 2014 and unit 4 in 2015, both after 64 months of construction.

In the related news, Nuclearelectrica confirmed that unit 2 in NPP Cernavoda was restarted in the beginning of November.

On November 1, the unit reached full power and started commercial operation. The planned outage started on October 19, after finishing commissioning tests and successful operation of the unit in period of four weeks. During the outage, the several works have been carried out, including the removing the equipment needed for the initial operation period and commissioning tests.

§ § §

### **20 % increase in natural gas import from Russia (Romania)**

The Russian minister of information technology and communication, Leonid D. Reiman, confirmed that Russia should deliver over-

all amount of 6.2 billion cubic meters of natural gas to Romania in 2007, which would be 20 % higher comparing the last year. This was said during the signing the Protocol of Romanian- Russian Inter-governmental Commission for economic and technical-scientific cooperation. Russian minister also expressed Russia's readiness to participate in the projects in Romania's energy sector.

In the related news, E.ON Gas Romania confirmed that company's winter gas reserves reached 1 billion cubic meters. The company imports 40 % of its gas reserves.

E.ON Gaz Romania has 1.3 million customers and distribution network of some 18,000 km. In the next ten years, 7,000km of natural gas networks should be revitalized. In 2006, the company sold 1.3 billion cubic meters of natural gas.

§ § §

### **Decision on energy holdings company to be reached in this year (Romania)**

Government Romania should decide on the structure of integrated energy holdings company by the end of the year, prime minister Calin Tariceanu said to the state news agency. According to earlier announcements of minister of economy and finance, Varujan Vosganian , the state should control 25-40 % of the future company, which should comprise transmission, distribution and power production companies.

In September this year, the government approved long-term energy strategy for period 2007-2020, which included establishment of energy holding and envisaged 35 billion euros of investments in energy sector. Romania hopes to increase its power output at 100 TWh by 2020, by which the country would become important electricity exporter in the region.

In the related news, official from European bank for reconstruction and development (EBRD), Louis Borgo, said during the Emerging European Energy Summit, that establishment of large energy company by the state could lead to monopoly in energy sector and that it could affect large number of energy projects. This would be against the Romania's plans to increase competition, he said. Borgo said that plans presented by government lack concrete proposals. He concluded that, although it was fully deregulated, the Romanian energy market could face infrastructure problems.

§ § §

### **Green Energy Group to invest 300 million euros in wind farms (Romania)**

Local company Green Energy Group announced development of three wind parks, each with 60-70 MW power output. The overall worth of the investments should reach 300 million euros, general manager of the company, Gheorghe Tripon said.

The company is looking for strategic partners willing to fund the projects. In this moment, the company operates 0.75 MW wind generator in Tulcea country and it should install two 0.6 MW wind generators in the nearest future.

The company is also involved in construction of 5 MW biogas power plant and 80 million euros worth bioethanol factory. The Green Energy Group SA Bucuresti was founded in 2005.

According to some analyses, the wind energy potential in Romania is estimated at 14,000 MW or some 23 TWh.

§ § §

### **Electricity prices could be unchanged in beginning of 2008 (Romania)**

Minister of economy and finance, Varujan Vosganian, said in press conference that increase in electricity prices, earlier announced to be effective on January 1 2008, could be cancelled. The main reason is the start of production in unit 2 in nuclear power plant (NPP) Cernavoda.

The minister also said that in 2008, the privatization of thermal power plant (TPP) Braila should be finished, while the tenders for privatization of TPP Doicești and Borzesti should take place. The government should also initiate privatization procedure in two out of three energy complexes, i.e. in Isalnita and in Turceni or Rovinari.

§ § §

### **Transelectrica and Terna signed cooperation agreement (Romania)**

Romania's transmission system operator, the Transelectrica, and Italian counterpart, Terna, signed the strategic partnership agreement in the mid November. Two parties should cooperate in electricity transport and electricity management sectors, Romanian media reported.

Two partners aim jointly to develop international interconnection projects, to implement joint technical assistance programs in Southeastern Europe, to exchange experiences and to take part in development of Southeastern electricity market in order to create single electricity market in EU.

The two executive managers, Flavio Cattaneo from Terna and Stelian Gal from Transelectrica, signed the agreement.

§ § §

### **Liberalization of oil import (Serbia)**

Starting from November 1, in accordance to new Bylaw of import and refinement of oil and oil derivatives, the restrictions in oil import in Serbia were cancelled. It implies that private suppliers will not be obliged to import at least 30,000 of crude oil per month, but only the amount in accordance to their needs, ministry of energy and mining said. On the other hand, private suppliers will have to take in consideration the energy balance of the country.

According to new Bylaw, the private companies, involved in transport of oil and oil products, will still be obliged to process all imported quantities in oil refineries of Oil industry of Serbia (NIS). New Bylaw on oil import was harmonized in accordance to the Central European Free Trade Agreement (CEFTA) and rules of World trade organization and EU. The ministry of energy and mining pointed out that by cancellation of import limitations, Serbia fulfilled one of the conditions for international integrations.

NIS clarified that new Bylaw would not cause any disturbance in oil market, having in mind that private suppliers would not have

economical reasons to process lower quantities of crude oil than they did it in the past. NIS called the latest changes just as the administrative ones.

The representatives of private oil suppliers said the latest Bylaw would not cause practical changes, having in mind that only Lukoil processed more than 30,000 tons of crude oil per month. They explained that the import of 30,000 tons per month was not the obligation for private companies, yet NIS was not obliged to sign oil refinement contracts with the companies that import less than that amount. On the other hand, in the past, NIS signed refinement contracts even with those companies that imported less than 30,000 tons per month, the representatives said.

§ § §

### **New equipment in Kolubara coalmine (Serbia)**

In the beginning of November, installation of new mining equipment in Tamnava-West field in Kolubara coalmine started. The cost of the project is estimated at 72 million euros and it has been funded by European bank for reconstruction and development (EBRD) and KfW bank.

The first phase of the project is related to installation of depositor for coal and overburden, the worth of which is 7.5 million euros. The German manufacturer delivered this depositor in 1990s, but its installation was interrupted. The depositor will be the part of new so-called BTO system (excavator-belt transporter-depositor) in the Tamnava West field. The excavator and belt transporter (7.5 km long) will be also delivered from Germany.

In the same time, on November 10, the bucket wheel excavator, previously used in German coalmine Vatenfal, was put also put in service. The coalmine paid some 500,000 euros for the excavator. The renewal and installation of the excavator was carried out by local companies. This machine replaced large bucket wheel excavator that crashed in the end of 2005, the repair of which will last by mid 2008.

The abovementioned activities are the part of urgent investments for enlargement of Tamnava-West field. The enlargement should lead to increase in coal production from 6 to 12 million tons per year in particular field.

The tender for new BTO system in Kolubara mine was launched in 2005, where the parts of the system would be delivered through five independent procedures during 2008 and 2009.

§ § §

### **900 million euros to be invested by NIS (Serbia)**

Director of Oil industry of Serbia (NIS)-Oil refineries department, Ilija Andjelkovic, announced that company would invest some 900 million euros by 2009. The half of the amount will be invested in oil refineries in Novi Sad and Pancevo.

Government of Serbia and NIS already provided 126 million euros for purchase of equipment and finishing the projects in the next two years, director said. The main aims of the investments are the reduction of emission of greenhouse gasses, improvement of technology and reaching the EU 2009 standards in fuel production.

These development projects should secure NIS position in domestic market, were NIS has been experiencing increased competition, and it should provide high quality fuel for citizens. In 2006 and 2005, NIS invested over 60 million euros, the company said.

§ § §

### **Vice prime minister in favor of construction of nuclear power plants (Serbia)**

Vice prime minister, Bozidar Djelic, said that Serbia should reconsider the moratorium for construction of nuclear power plants. He reminded that Serbia still obeys the old moratorium reached by former Yugoslavia after nuclear accident in Chernobyl, where moratorium expires in 2015. Djelic believes that nuclear energy could be the cheapest and cleanest source of electricity. He called for broad public debate over this issue. He quoted the example of neighboring Bulgaria, which reached decision for construction of new NPP, despite the problems with old NPP Kozloduy. Vice prime minister believes that future of NPPs in Serbia should be decided on referendum.

Djelic's colleague, the minister of energy and mining was surprised with his proposal, having in mind the Energy strategy of Serbia until 2015 does not include construction of NPPs. On the other hand, several experts warned this could become the reality, having in mind that coal reserves could last for only 50-60 years. In the same time, even if Serbia decides not to build NPPs, in the nearest neighborhood, tens of NPPs will be built.

Experts said the price of construction of NPP is some 1.8 million euros per MW comparing to 1.3 million euros for coal-fired plants. In the same time, the price of electricity produced in NPPs of 2 euros/kWh is the cheapest comparing to other plants. Also, the emission of greenhouse gasses is minimal, while the largest problem would be storage of radioactive waste, those in favor of NPPs said.

Ministry of environmental protection Sasa Dragin immediately reacted saying that Serbia does not need NPPs. Dragin believes that Djelic's statement should be understood just as the invitation for public debate over moratorium. Dragin called for increased usage of renewable energy sources (hydro, wind, biofuels).

§ § §

### **EPS to demand increase in electricity prices (Serbia)**

The management board of Power utility of Serbia (EPS) concluded that electricity prices in Serbia should be increased by 5.8 %. The increase in prices should be approved by ministry of energy and mining, having in mind the new electricity tariff system should be applied starting from April 2008. In that time, the electricity prices should be approved by Regulatory energy agency (REA).

The minister of energy and mining, Aleksandar Popovic, said the ministry would wait for official opinion from REA, despite the fact that, in this moment, the ministry alone is responsible for setting the prices.

EPS earlier proposed 6.7 % increase in electricity prices starting from September 1. The REA did not approve that request and it recommended 4.6 % increase in electricity prices in average and 1.9 % for households. On the other hand, the government of Serbia did not approve increase in prices in fear of inflation pressures.

## Tenders:

## Electricity

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Kozloduy Nuclear Power Plant – General</b>	
Content:	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.  For more information, please visit <a href="http://www.ebrd.com/oppo/procure/opps/goods/general/070803a.htm">http://www.ebrd.com/oppo/procure/opps/goods/general/070803a.htm</a>
Deadline:	3 Aug 2008 at 24:00, Kozloduy time
Contact:	Mr. Daryll Jones Fax. + 359 973 7 4508 E-mail: <a href="mailto:kpmu@npp.bg">kpmu@npp.bg</a>

Company / organization:	<b>EAR, related Serbia</b>
<b>Construction of 400 kV Electricity Transmission Line from Nis – Leskovac</b>	
Content:	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.  The works project will include: manufacturing, constructing and erecting towers, stringing lines and civil works
Deadline:	19 November 2007, 12 hrs, Belgrade time
Contact:	<a href="mailto:Ana.Milenic@ear.europa.eu">Ana.Milenic@ear.europa.eu</a>

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Kozloduy - Evaporator Concentrate Tanks</b>	
Content:	Kozloduy Nuclear Power Plant (KNPP), hereinafter referred to as the Employer, intends using a grant received from the Kozloduy International Decommissioning Support Fund, administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of a facility for retrieval and processing of the solidified phase from evaporator concentrate tanks.
Deadline:	3 Dec 2007 at 16:00, Kozloduy time.
Contact:	Kozloduy Nuclear Power Plant Plc, KPMU, 3321 Kozloduy Bulgaria Attention: Daryll Jones Office tel.: +359 973 7 64 22 Fax: +359 973 7 45 08; E-mail: <a href="mailto:kpmu@npp.bg">kpmu@npp.bg</a>

Company / organization:	<b>EBRD, related Bosnia and Herzegovina</b>
<b>Stanari Thermal Power Plant Project</b>	
Content:	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.  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.  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.  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.  The power plant shall be designed to fulfill the following objectives: <ul style="list-style-type: none"> <li>• Gross efficiency of at least 43%</li> <li>• High level of availability</li> <li>• Automated to a high degree, including flexible operating characteristics</li> <li>• Compliance with National and European Union environmental requirements.</li> </ul> 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.  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.
Deadline:	27 July 2008 at 24:00, Belgrade time
Contact:	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: <a href="mailto:danilo.milosevic@eft-group.net">danilo.milosevic@eft-group.net</a>

Company / organization:	EBRD, related Romania
<b>CFR Traction Energy Network Management LOT 1,2 - General</b>	
Content:	<p>This notice updates the General Procurement Notice published on EBRD Website dated 22nd July 2005 under reference 5104-GPN-36043 and updated on 24 July 2006.</p> <p>CFR Electrificare is a Beneficiary of a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 26 million equivalent (EUR 22m from the Bank and EUR 4m in VAT and other taxes), will require the procurement of the following goods, works and services:</p> <p>Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control</p> <p>Lot 2: Supply and Installation of equipment sets for the control and surveillance (SCADA) of four railway energy dispatchers: DEF Timisoara, DEF Caransebes, DEF Craiova and DEF Targu-Jiu. Tendering for the above contracts is expected to begin in the fourth quarter of 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:	22 Oct 2008 at 00:00, Bucharest time
Contact:	Mr I Truica Technical Director S.C. Electrificare SA B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 213192512 Email: ionel.truica@cfr.ro

Company / organization:	EAR, related Serbia
<b>Construction of 400 kV Electricity Transmission Line from Nis – Leskovac</b>	
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:	EAR, related Serbia
<b>Renewable energy feasibility studies</b>	
Content:	<p>The project involves the preparation of individual bankable renewable energy projects (both technical design and economic analysis) in Serbia up to the level of detail necessary for submission for potential investment by financing institutions and/or private investors.</p> <p>Assistance will also be provided to the Ministry of Mining and Energy to enable them to grant concessions for renewable energy projects.</p> <p>Required specific fields of expertise: design and/or implementation of renewable energy projects, economic analysis of energy projects (conventional or renewable energy technologies).</p> <p>Maximum budget € 1,000,000</p> <p>The Contracting Authority may, at its own discretion, extend the project in duration and/or scope subject to the availability of funding, up to a maximum not exceeding the length and value of the initial contract. Any extension of the contract would be subject to satisfactory performance by the Contractor.</p>
Deadline:	29 November 2007 at 16:00, Local time..
Contact:	The European Agency for Reconstruction Procurement Unit, 2nd floor Vasina 2-4, 11000 Belgrade Serbia and Montenegro Fax no.: +381 11 3023 466

Company / organization:	EBRD, related Romania
<b>CFR Traction Energy Network Management LOT 1,2 - General</b>	
Content:	<p>CFR Electrificare is a Beneficiary of a loan from the European Bank for Reconstruction and Development and intends to use its proceeds towards the cost of a project to continue modernisation and introduce cost-savings measures in management of its traction energy network. The proposed project, which has a total estimated cost of EUR 26 million equivalent (EUR 22m from the Bank and EUR 4m in VAT and other taxes), will require the procurement of the following goods, works and services:</p> <p>Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control</p> <p>Lot 2: Supply and Installation of equipment sets for the control and surveillance (SCADA) of four railway energy dispatchers: DEF Timisoara, DEF Caransebes, DEF Craiova and DEF Targu-Jiu.</p>
Deadline:	22 Oct 2008 at 00:00, Bucharest time.
Contact:	Mr I Truica Technical Director S.C. Electrificare SA B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 21 3192512 Email: ionel.truica@cfr.ro

Company / organization:	EBRD, related Bulgaria
<b>Rehab and Extension of Power Transmission Network LOT 1,2,3</b>	
Content:	<p>The National Electric Company – NEK-EAD (the “Employer”) intends using the proceeds of the grant funds provided by the “Kozloduy International Decommissioning Support Fund” (the “KIDSF”), administered by the European Bank for Reconstruction and Development (the “Bank”) and of its own financial sources towards the cost of the “Rehabilitation and Extension of the Power Transmission Network Project - substations Tzarevetz, Burgas, Metalurgichna”.</p> <p>The project, which has a total estimated cost of EUR 14.6 million, includes the implementation of the following three projects:</p> <p>(i) Project „Rehabilitation and extension of s/s Tzarevetz 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(ii) Project „Rehabilitation and extension of s/s Burgas 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(iii) Project „Rehabilitation of s/s Metalurgichna 400/110/31,5 kV” Procurement of equipment for the replacement of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD’s Countries of Operations.</p>
Deadline:	13 Nov 2008 at 00:00, Sofia time
Contact:	<p>Mrs. Ludmila Vitanova Head of Investment Department Natsionalna Elektricheska Kompania 5, “Vesletz” str., 1040 Sofia BULGARIA Tel.: +359 2 9263 552 Fax: +359 2 986 12 88 E-mail: lvitanova@nek.bg</p>

Company / organization:	EBRD, related Romania
<b>Upgrading and Rehabilitation Electric Traction Power Supply</b>	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published on EBRD website on 24 July 2006 (5394-GPN-36043) and updated on 23 October 2007 (5630-GPN-36043). S.C. “ELECTRIFICARE CFR” S.A., The Employer, has received a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of “Upgrading and Rehabilitation of Electric Traction Power Supply Equipment for Timisoara, Caransebes, Craiova and Targu-Jiu Railway Electrification Centers”.</p> <p>The Employer now invites sealed Tenders from Contractors for the following Contracts to be funded from part of the proceeds of the loan:</p> <ul style="list-style-type: none"> <li>• Lot 1: Supply and Installation of equipment sets for the Upgrading and Rehabilitation of 12 traction substations 110/25kV and the associated sectioning/subsectioning posts and disconnectors remote control.</li> </ul> <p>Tenderers shall demonstrate successful experience as prime Contractor in the execution of at least two Contracts of the nature and complexity comparable to the above Contracts within the last three years:</p> <ul style="list-style-type: none"> <li>• the supply and installation for new or for the renewal of substations for railway electric traction using an alternative single phase system (the national grid entry voltage – power transformer – powering of the catenary through feeder cells), or</li> <li>• the supply and installation for new or for the renewal of electric stations in the same diagram (entry on high voltage – power transformer – bar on medium voltage which supply two or more users through separate cells); and they have to demonstrate also a minimum average annual turnover (defined as billing for works in progress and completed) over the last three years, of:</li> <li>• ten (10) million EURO equivalent.</li> </ul> <p>Tendering for Contracts to be financed with the proceeds of a loan from the Bank is open to firms from all countries. The proceeds of the Bank’s loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.</p> <p>Tender Documents may be obtained from the address below upon payment of a non-refundable fee of:</p> <ul style="list-style-type: none"> <li>• EURO 500 (five hundred) or equivalent in a convertible currency, paid by cash, check or by bank transfer to:</li> </ul> <p>Upon request, the documents will be promptly dispatched by courier, but no liability can be accepted for loss or late delivery.</p> <p>All Tenders must be accompanied by a Tender Security of EURO 300.000 (three hundred thousand) or its equivalent in a convertible currency, and must be delivered to the address below on or before 14th of January 2008 at 12:00, at which time they will be opened in the presence of the Tenderers’ representatives who wish to attend.</p>
Deadline:	14 Jan 2008 at 12:00, Bucharest time
Contact:	<p>Mr. Ionel TRUICA, Technical Manager S.C. “ELECTRIFICARE CFR” S.A. 38, Dinicu Golescu Blvd., 7th floor, room no.51, 010873 Bucharest 1, Romania Tel.: (+40 21) 319 25 12 Fax: (+40 21) 311 98 38 e-mail: ionel.truica@ CFR.ro</p>

Company / organization:	EBRD, related Romania
<b>Iasi District Heating Project</b>	
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).Iasi 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"> <li>- Supply and Installation of thermal modules (expected to be partly donor funded)</li> <li>- Supply and Installation of the equipment in the Central Sub-stations, including the automation equipment (expected to be partly donor funded)</li> <li>- Rehabilitation Works for the Central Sub-stations, including Buildings Rehabilitation</li> <li>- Rehabilitation Works for the Heat Distribution Network</li> </ul> <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
<b>Construction of 400 kV Electricity Transmission Line from Nis – Leskovac</b>	
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
<b>Electric Power Industry of Serbia</b>	
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"> <li>• New Bucket Wheel Excavator</li> <li>• New Belt Conveyor system (co-financed by KfW)</li> <li>• New shifting devices</li> </ul> <p>EPS has further applied for KfW loan for the following parts of the new system:</p> <ul style="list-style-type: none"> <li>• Parts of the new belt conveyor system</li> <li>• New power supply system</li> <li>• Spreader integrating new and available parts</li> </ul> <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 June 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
<b>Pernik District Heating Rehabilitation Project</b>	
Content:	<p>Toplofikacija 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) administrated 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 June 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
<b>Bridge Financing for the Belene NPP Project</b>	
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 <a href="http://www.aop.bg">http://www.aop.bg</a> and in the Supplement to the Official Journal of the European Union <a href="http://ted.europa.eu">http://ted.europa.eu</a> . 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 Corporative Commercial Bank AD.
Contact:	Yulian Kiossev, tel. (+3592) 9263490 ykiossev@nek.bg.

Company / organization:	EBRD, related Bosnia and Herzegovina
<b>Power Distribution Reconstruction Project</b>	
Content:	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. 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: (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; (b) Works for the installation of the aforementioned items; (c) Consulting services to support the three Project Implementation Units established by the three power utilities. 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.
Deadline:	2 June 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@epzhhb.ba
----------	---

Company / organization:	<b>EBRD, related Romania</b>
<b>Design, Construction and Commissioning of the 390 Km Agadyr-YuKGRES Section of 500 KV Second Transmission Line of Kazakhstan North-South Transit Consulting Services Loan: Management and Monitoring Of Construction Contract Implementation Progress</b>	

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

§ § §

## Oil and Gas

Company / organization:	EBRD, related Bulgaria
<b>Bulgartransgaz Silistra System Development</b>	
Content:	<p>Bulgartransgaz EAD intends to use the proceeds of the Grant funds provided by the Kozloduy International De-commissioning Support Fund, administered by the European Bank for Reconstruction and Development and its own resources to finance the cost and complete the Project for delivery and construction of high pressure gas pipeline to, and gas regulation station in Silistra. The Project, which has a total estimated cost of EUR 10.7 million, will require the following deliveries and construction services:</p> <p>A. Delivery of steel pipes and fittings for a gas pipeline. Delivery of about 80 km of steel pipes for high pressure gas pipeline (PN 64), most of which are DN 300 (14") and other pipes of smaller diameter as well as fittings, required for the construction of the gas pipeline.</p> <p>B. Delivery of gas valves. Delivery of gas valves for high pressure gas pipeline (PN 64), mainly DN 300 (14") and others of smaller diameter.</p> <p>C. Overall delivery, supervision and commissioning of technological equipment for the Unattended Gas Regulation Station (UGRS). Delivery, Supervision and Commissioning of one complete set of technological equipment for the Construction of an Unattended Gas Regulation Station. Gas Regulation Station is a facility for regulation of gas pressure, equipped with commercial metering devices.</p> <p>D. Construction of high pressure gas pipeline to, and gas regulation station in Silistra. Construction and Commissioning of about 80 km gas transmission pipeline, optical fiber cable line within the gas pipeline easement and an UGRS (including the value of the used equipment and materials, except the delivered under the above Delivery Contracts A, B and C). The construction includes:</p> <ul style="list-style-type: none"> <li>• Temporary construction and preparatory works;</li> <li>• Delivery of materials and equipment (except of those included in the Delivery Contracts (A, B and C) above);</li> <li>• Construction and installation;</li> <li>• Pre-commissioning and commissioning tests;</li> <li>• Getting Permission on Commissioning by the competent control authorities;</li> <li>• Remedy of defects within the warranty periods after the acceptance by the State Acceptance Commission and Permission for use of the constructed pipeline and UGRS.</li> </ul> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations. The proceeds of the Grant shall 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:	3 Nov 2008 at 00:00, Sofia time.
Contact:	<p>Mr. Angel Semerdjiev Executive Director Bulgartransgaz EAD 66, Pancho Vladigerov Blvd. Sofia 1336 Bulgaria Fax : + 359 29396462 e-mail: Silistra@bulgartransgaz.bg</p>