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In this issue:**Analysis:**

- » Dependency of electricity production in hydro power plants in South East Europe on precipitation, 2nd part

News headlines**Regional:**

- » EFT reported 800 million euros of income in 2008
- » RWE to become partner in Nabucco project

Albania:

- » EVN to build a cascade HPP
- » Blackout due to overload
- » No power cuts by middle 2009
- » Italian company to build a wind farm
- » TPP Fieri sold

Bosnia and Herzegovina:

- » The deadline for feasibility and environmental study for TPP Ugljevik prolonged
- » The cooperation agreement between ERS and Statkraft signed
- » Establishment of joint venture company for HPP Buk Bijela on February 1
- » Wind farms to be built in Herceg Bosnia County
- » Disputes over plans for construction of new power plants
- » 8.12 % increase in electricity prices

Bulgaria:

- » NEK warned on potential electricity shortage
- » TPP Varna to acquire 540,000 tons of coal
- » The campaign for restart of units 3 and 4 in NPP Kozloduy
- » NEK and AtomStroyExport signed the contract for construction of NPP Belene
- » Bulgaria joined South stream project
- » E.ON to invest in wind farms
- » TPP Bobov Dol demanded that unit 2 should become cold reserve capacity

Croatia:

- » 350 million euros for upgrade of oil refinery in Rijeka
- » TPP Plomin to continue to run on coal
- » Decision on LNG terminal in 2008
- » Janaf to invest up to 55 million euros in 2008

Greece:

- » PPC considering a breakup in 6 subsidiaries
- » New proposals to PPC
- » Joint venture between Edison and DEPA regarding ITGI project
- » Problems with CO2 emissions and energy efficiency

Macedonia:

- » Coal export ban until June 30
- » 11.8 % increase in natural gas prices
- » 300 MW gas fired CCGT plant to be built in Skopje
- » Government offered electricity during night for large customers
- » EFT won in a tender for import of electricity in 2008
- » Changes in Energy law

Montenegro:

- » Regulator approved new coal prices
- » Statkraft confirmed interest for construction of HPPs
- » HSE to lead consortium for construction of power plants
- » ECPG interested for construction of new unit in TPP Pljevlja

Romania:

- » Nuclearelectrica to invest 128 million euros in 2008
- » Transgaz and MOL signed the contract for natural gas pipeline
- » Hidroelectrica plans to list 5-10 % of shares
- » Petrom launched tender for purchase of 1.15 TWh of electricity
- » EU demanded harmonization of natural gas prices
- » 8.5 % increase in natural gas price
- » Electrabel to invest billions in energy projects

Serbia:

- » MOL increased natural gas transmission fees
- » Alltech presented project for construction of biofuel factory in Senta
- » Start of installation of new coal transport system in Drmno coalmine
- » Agreement for cooperation in oil and natural gas sector signed with Russia

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

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

Balkan Energy NEWS publication

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

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

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

Country	Year	Sum	1	2	3	4
Slovenia	2007	11182	1027	891	953	850
	2008	11570	1094	998	1012	911
	2009	10994	1099	932	963	818
Bosnia and Herzegovina	2007	11722	1074	979	1016	910
	2008	11218	1155	1038	1075	938
	2009	12186	1155	1038	1075	938
Bulgaria	2007	34506	3299	2960	2837	2637
	2008	32724	3052	3196	2836	2636
	2009	31954	3486	3052	3021	2443
Croatia	2007	17842	1680	1543	1570	1551
	2008	17507	1625	1530	1551	1551
	2009	17507	1625	1530	1551	1551
Greece	2007	5306	4915	4539	4269	4105
	2008	53504	4852	4271	4401	3894
	2009	53565	4666	4107	4327	3913
Romania	2007	50636	4736	4268	4473	3803
	2008	53365	4924	4472	4327	4132
	2009	50636	4736	4268	4473	3803

Country Reports on Energy Business in South Eastern Europe

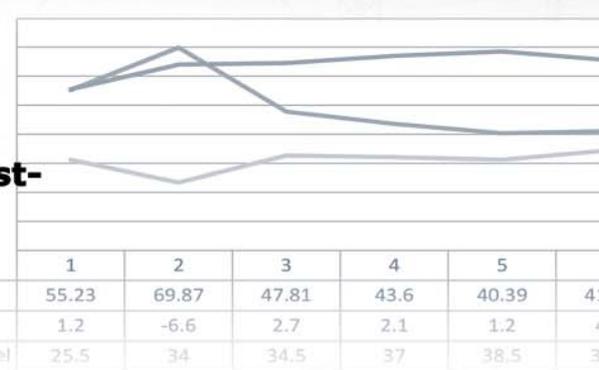
Country reports provide detailed overview of energy sector:

- 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.

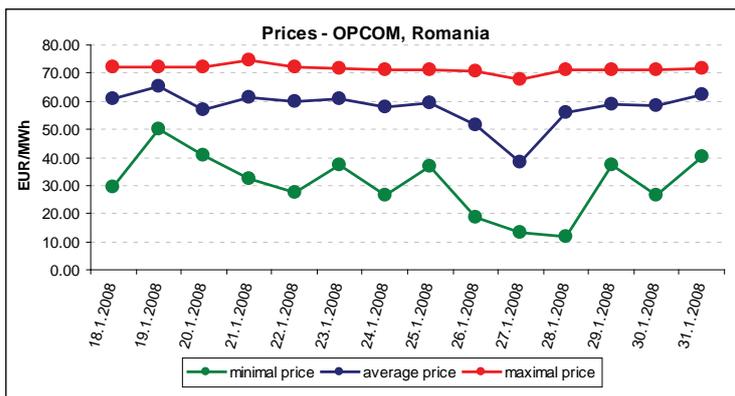
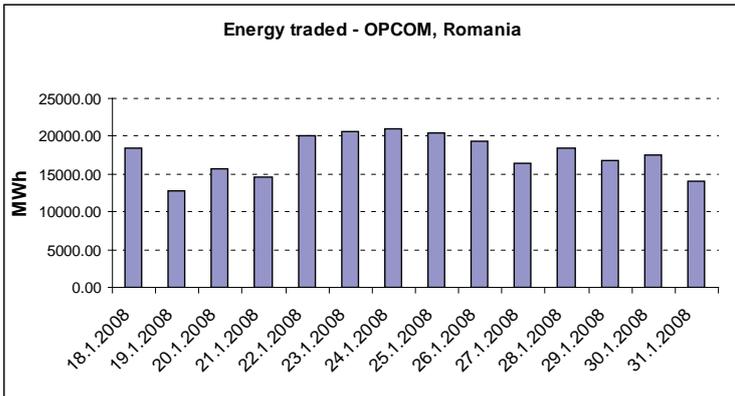
For ordering all of the reports, 20% discount will be applied.



Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	635.489	37.70
2	655.743	26.80
3	611.555	26.53
4	641.499	26.53
5	627.343	26.80
6	635.566	41.15
7	642.245	49.11
8	758.269	67.71
9	803.355	67.71
10	759.117	67.71
11	813.794	67.71
12	836.383	67.71
13	860.271	67.71
14	777.836	67.71
15	829.663	67.71
16	889.065	67.71
17	788.764	67.71
18	690.35	71.24
19	587.679	71.24
20	623.724	71.24
21	685.704	71.24
22	787.209	66.36
23	810.386	57.07
24	850.389	49.62
Total	17,601.398	

Opcom, Romania: Energy Traded on Wednesday, 30th of January, 2008

Power exchanges data:



Hour	Traded Volume [MWh/h]	MCP [EUR/MWh]
1	697.646	39.79
2	591.037	13.26
3	588.574	13.26
4	565.213	13.26
5	551.682	13.26
6	546.032	13.26
7	539.134	13.26
8	561.894	13.26
9	617.194	29.18
10	691.066	39.79
11	687.707	34.49
12	661.564	34.49
13	650.154	31.84
14	612.707	26.53
15	601.526	31.84
16	613.416	31.84
17	671.238	39.79
18	875.125	61.02
19	906.546	67.65
20	918.319	67.81
21	903.203	66.32
22	860.525	61.02
23	830.565	45.10
24	684.118	34.49
Total	16,426.185	

Opcom, Romania: Energy Traded on Sunday, 27th of January, 2008

Tables with results of Allocated Available Transfer Capacities (AATC) in Balkan region for February 2008

NOS BIH - Bosnia & Herzegovina								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > BIH	-	-	450	-	121	121.00	-	01.-29.2.2008.
Montenegro > BIH	-	-	550	-	275	0.00	-	01.-29.2.2008.
Serbia > BIH	-	-	250	-	125	103.00	-	01.-29.2.2008.
EXPORT								
BIH > Croatia	-	-	550	-	275	90.00	-	01.-29.2.2008.
BIH > Montenegro	-	-	350	-	95	95.00	-	01.-29.2.2008.
BIH > Serbia	-	-	250	-	97	23.00	-	01.-29.2.2008.

OPS HEP - Croatia								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Croatia	-	-	-	-	400*	400.00	4.46	01.-29.2.2008.
Slovenia > Croatia	-	-	-	-	150	150.00	0.00	01.-29.2.2008.
Serbia > Croatia	-	-	-	-	75	72.00	1.72	01.-29.2.2008.
BIH > Croatia	-	-	-	-	100	100.00	0.40	01.-29.2.2008.
EXPORT								
Croatia > Hungary	-	-	-	-	200*	181.00	0.60	01.-29.2.2008.
Croatia > Slovenia	-	-	-	-	150	145.00	0.18	01.-29.2.2008.
Croatia > Serbia	-	-	-	-	75	75.00	0.99	01.-29.2.2008.
Croatia > BIH	-	-	-	-	50	50.00	4.50	01.-29.2.2008.

* Common auction conducted by MAVIR

HTSO - Greece								February 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Bulgaria > Greece	-	-	-	-	150	150.00	1.57	01.-29.2.2008.
Macedonia > Greece	-	-	-	-	40	40.00	0.57	01.-29.2.2008.

MAVIR - Hungary								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Croatia > Hungary	600	200	400	200	200	181.00	0.60	01.-29.2.2008.
Romania > Hungary	300	100	200	150	50	50.00	12.71	01.-29.2.2008.
Serbia > Hungary	500	100	400	250	150	150.00	0.23	01.-29.2.2008.
EXPORT								
Hungary > Croatia	1050	200	850	450	400	400.00	4.46	01.-29.2.2008.
Hungary > Romania	400	100	300	175	125	125.00	0.15	01.-29.2.2008.
Hungary > Serbia	500	100	400	225	175	174.00	2.06	01.-29.2.2008.

MEPSO - Macedonia								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Serbia > Macedonia	420	100	320	160	0	0.00	-	01.-29.2.2008.
Greece > Macedonia	350	100	250	0	0	0.00	-	01.-29.2.2008.
EXPORT								
Macedonia > Serbia	300	100	200	100	0	0.00	-	01.-29.2.2008.
Macedonia > Greece	140	100	40	0	0	0.00	-	01.-29.2.2008.

Remark: No transparent allocation procedure on Greek and Bulgarian border

TSO EPCG - Montenegro								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Albania > Montenegro	-	-	-	-	100	0.00	-	01.-29.2.2008.
BIH > Montenegro	-	-	-	-	85	85.00	0.50	01.-29.2.2008.
Serbia > Montenegro	-	-	-	-	65	65.00	0.50	01.-29.2.2008.
EXPORT								
Montenegro > Albania	-	-	-	-	50	50.00	0.60	01.-29.2.2008.
Montenegro > BIH	-	-	-	-	150	0.00	-	01.-29.2.2008.
Montenegro > Serbia	-	-	-	-	70	10.00	0.59	01.-29.2.2008.

Transelectrica - Romania								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Bulgaria > Romania	200	100	50	50	0	0.00	-	01.-29.2.2008.
Serbia > Romania	200	100	50	50	0	0.00	-	01.-29.2.2008.
Hungary > Romania	400	100	150	25	125	125.00	0.20	01.-24.2.2008.
	300	100	100	25	75	75.00	0.36	25.-29.2.2008.
Ukraine > Romania	400	100	300	100	200	10.000	0.000	01.-24.2.2008.
	300	100	200	100	100	10.00	0.00	25.-29.2.2008.
EXPORT								
Romania > Bulgaria	650	100	275	50	225	225.00	9.94	01.-24.2.2008.
	550	100	225	50	175	175.00	9.43	25.-29.2.2008.
Romania > Serbia	550	100	225	50	175	175.00	1.57	01.-29.2.2008.
Romania > Hungary	300	100	100	50	50	50.00	7.42	01.-29.2.2008.
Romania > Ukraine	150	100	50	0	50	30.00	0.00	01.-29.2.2008.

EMS - Serbia								February 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	AATC	Price	Validity period:
IMPORT								
Hungary > Serbia	-	-	-	-	200	200.00	-	01.-29.2.2008.
Romania > Serbia	-	-	-	-	100	100.00	-	01.-29.2.2008.
Bulgaria > Serbia	-	-	-	-	150	150.00	-	01.-29.2.2008.
Macedonia > Serbia	-	-	-	-	100	0.00	-	01.-29.2.2008.
Albania > Serbia	-	-	-	-	105	0.00	-	01.-29.2.2008.
Montenegro > Serbia	-	-	-	-	125	0.00	-	01.-29.2.2008.
BiH > Serbia	-	-	-	-	25	25.00	-	01.-29.2.2008.
Croatia > Serbia	-	-	-	-	125	125.00	-	01.-29.2.2008.
EXPORT								
Serbia > Hungary	-	-	-	-	200	95.00	-	01.-29.2.2008.
Serbia > Romania	-	-	-	-	50	40.00	-	01.-29.2.2008.
Serbia > Bulgaria	-	-	-	-	50	50.00	-	01.-29.2.2008.
Serbia > Macedonia	-	-	-	-	160	160.00	-	01.-29.2.2008.
Serbia > Albania	-	-	-	-	105	105.00	-	01.-29.2.2008.
Serbia > Montenegro	-	-	-	-	120	110.00	-	01.-29.2.2008.
Serbia > BiH	-	-	-	-	25	25.00	-	01.-29.2.2008.
Serbia > Croatia	-	-	-	-	125	125.00	-	01.-29.2.2008.

* No price information available

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

General remark 2: All prices for capacity are presented in €/MWh

- 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)

- AATC (ALLOCATED Available Transfer Capacities) values are the results of allocation procedure conducted by respective TSO in which table this value appears

Danube water-level in cm for last 30 days

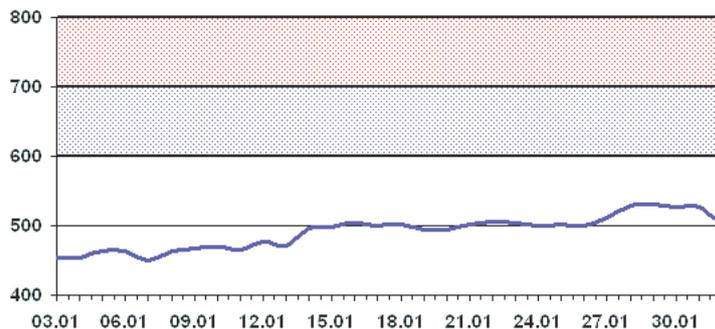
relevant for:

HPP Portile de Fier I, 1167 MW, Romania

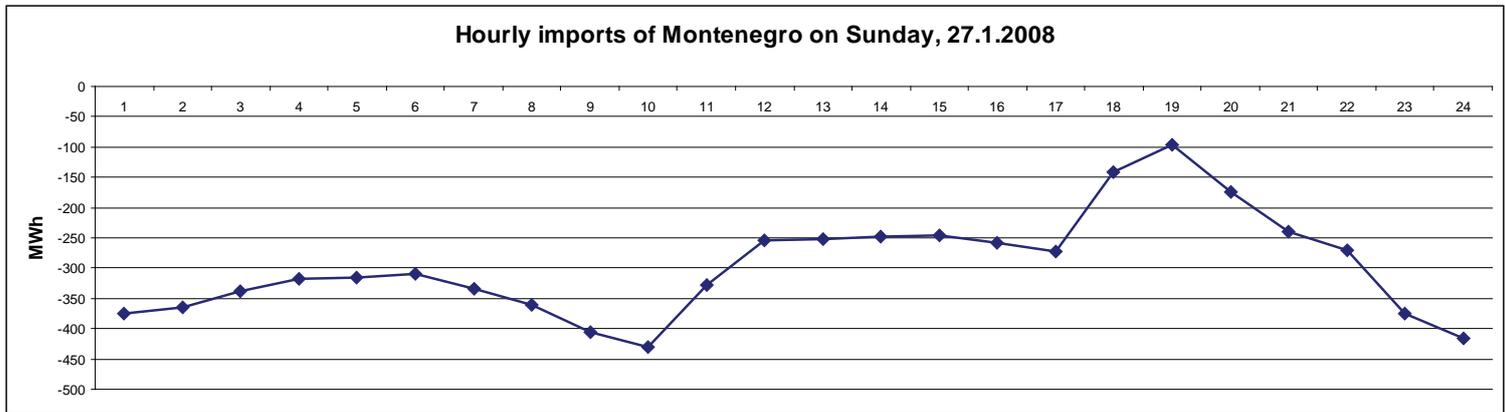
HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia



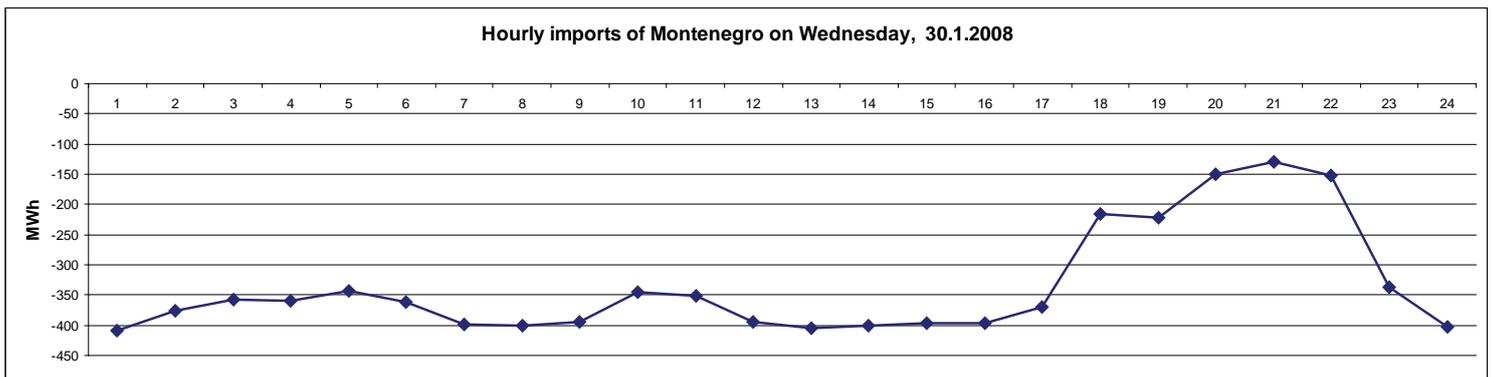
Hourly imports of Montenegro on Sunday, 27.1.2008



Hourly import of Montenegro on Sunday, 27.1.2008 for each line (MWh)

Line \ Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Piva - Sarajevo	-9.5	-19.3	-10	-3.6	-6	-2.8	-6.6	-19.9	-27.9	-33.8	8.6	34.3	36.6	42.3	34.9	29.6	27.8	64	66.6	51.7	37.3	22.8	2.7	-15.7
Pljevlja1 - Potpec	25.4	26.1	24	21.5	19	20.4	21.1	25.3	25.3	28.6	28.3	28.3	26.8	25.4	21.7	22.3	23.1	13.9	16	14.6	12.9	19	26.3	22.7
Pljevlja2 - Basta	-120.1	-111.8	-96.2	-93	-99	-97.2	-98.5	-65.3	-72.9	-101.5	-99	-81.9	-79.9	-80.7	-85.5	-87.5	-85.3	-77	-69.2	-78	-86.9	-91.7	-100.5	-104.7
Pljevlja2 - Pozega	-6.9	-9.8	-5.8	-7.1	-12.6	-10.7	-10.6	8.1	9.6	0.5	6.5	17.9	17.4	11.5	12.9	12	17.8	32.6	41.6	32.7	22.9	16.5	11.2	1
Ribarevine - Kosovo	-96.6	-76.3	-109.4	-109.7	-90.8	-93.7	-89.2	-88.4	-79.1	-30.1	-17.5	-16.5	-19.1	-5.9	10.6	10.2	8.4	71.1	106.6	62.8	29.4	9.8	-36.8	-117.4
Pg1 - Vau I Dejes	69.8	97.4	80.3	76.5	93.6	78.5	80.8	50.5	49.9	61.8	42.2	34.5	29	39.7	56.9	53.8	51.7	79.5	78.5	61.1	56.3	48.1	28.1	41.4
Pg2 - Trebinje	-86.6	-105.5	-75.5	-62.9	-72.3	-65	-79	-111.3	-139	-171.6	-138.2	-118	-114.4	-120.7	-130.2	-132.7	-143.6	-151.6	-165.7	-154.6	-149.5	-136.7	-141.3	-98.5
Perucica - Trebinje	-87.8	-100.8	-86.7	-81.6	-88.4	-81.7	-90.9	-98.4	-108.1	-117.1	-99.1	-93	-89.6	-96.8	-102.5	-101.5	-106.1	-107.5	-105	-100.4	-98.4	-96.4	-98.9	-86.9
Herceg Novi - Trebinje	-49.1	-48.1	-44.1	-42.3	-42.6	-42.2	-45.3	-48.5	-50.9	-54.6	-53	-51.9	-52.6	-52.9	-53.8	-53.7	-56.3	-61.2	-63.1	-62.2	-61.4	-58.9	-56	-49.3
Niksic - Bileca	-13.1	-17.4	-15.3	-14.9	-16.6	-14.6	-15.2	-13.6	-11.8	-12.2	-7.6	-6.8	-6.6	-9.6	-10.5	-10	-9.9	-4.9	-1.9	-1.7	-3	-4	-10.8	-9
Import	-374.5	-365.5	-338.7	-317.1	-315.7	-309	-333.4	-361.5	-404.9	-430	-328.8	-253.1	-252.4	-247.7	-245.5	-257.5	-272.4	-141.1	-95.6	-174	-240.4	-271.5	-376	-416.4

Hourly imports of Montenegro on Wednesday, 30.1.2008



Hourly import of Montenegro on Wednesday, 30.1.2008 for each line (MWh)

Line \ Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Piva - Sarajevo	-1.2	-2.2	2.6	-10	-10.5	-8.7	-0.9	-7.7	-6.1	8.2	0.1	-8.5	-6.1	-8	-0.2	-0.8	6.5	59.5	61	75.1	87.7	69.8	13.3	2.4
Pljevlja1 - Potpec	21.5	28.6	23.9	26.5	26.6	27.9	22.3	29.7	27.2	28.7	26.7	22.9	22.2	25.9	26.7	28.3	30.7	24.3	17	22.2	33.5	36.6	32.3	27.5
Pljevlja2 - Basta	-114.2	-87.6	-82.8	-56.8	-55.3	-68.6	-87.2	-87.9	-101.7	-89.6	-101.2	-112.5	-109.4	-110.6	-108.6	-123.3	-115.7	-89.7	-95.2	-88.4	-88.8	-80.1	-122.9	-133.9
Pljevlja2 - Pozega	-4.1	8.9	6.6	16.1	16.8	13.6	11.8	20	16.1	21.2	13.4	3.3	3.3	2.8	3.4	-1.5	7	20.4	22.6	23	23.4	23.9	7.9	-4.5
Ribarevine - Kosovo	-123.2	-151.6	-155.5	-168.2	-166.1	-138.5	-121.2	-80.7	-55.6	-79.1	-55.2	-66.9	-67.5	-79.1	-80.8	-100.9	-83.8	-70	-9.9	-7.8	9	-40	-51.4	-126.2
Pg1 - Vau I Dejes	71.7	67.5	70.7	71.9	80.5	75.6	72.8	73.4	86.5	86.2	89.7	84.7	73.4	89.3	66.3	72.5	76.6	90.2	87.1	99.6	76	77.6	71.3	42.7
Pg2 - Trebinje	-115.7	-105	-97.1	-112.8	-110.3	-120.6	-133.5	-168	-176.5	-157.4	-126.8	-128	-122.2	-127.5	-106.2	-111	-124.5	-130.3	-129.6	-121.3	-77.2	-83.4	-106.8	-71.3
Perucica - Trebinje	-84.2	-85.4	-84	-88.6	-88.8	-92.1	-99.9	-110.3	-113.2	-113.8	-111.9	-112.7	-111.9	-116.2	-104.2	-105.8	-109.6	-109.6	-105.3	-99.4	-81	-82.2	-93.4	-78.8
Herceg Novi - Trebinje	-46.8	-39.5	-34.5	-30.8	-30.4	-38.3	-48.3	-56.3	-59	-59.7	-63	-63.4	-62.2	-61.9	-60.6	-58.2	-58.9	-63.4	-66.6	-66.4	-63.1	-62	-60.4	-53.5
Niksic - Bileca	-11.7	-9.7	-7.9	-6.8	-6.3	-11.6	-14.3	-13.1	-11.9	-13.1	-11.1	-12.5	-12.7	-14.3	-12.8	-12.7	-12	-8	-5.3	-2.8	-0.3	-1.5	-7.5	-7.8
Import	-407.9	-376	-358	-359.5	-343.8	-361.3	-398.4	-400.9	-394.2	-344.5	-351	-394.2	-404.7	-401.3	-397.1	-396.3	-369.9	-216.5	-222.1	-149.4	-129.8	-152.7	-336.3	-403.4

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

In the period from 17.1.2008 till 31.1.2008:

Montenegro maximum daily consumption: 15.5 GWh

Montenegro maximal hourly consumption: 755 MWh

Weather conditions

	2.2.	3.2.	4.2.	5.2.	6.2.
Albania <i>Tirana</i>	T: 5-12 W: S 6 R: -	T: 3-15 W: SE 6 R: -	T: 3-13 W: SE 4 R: 1	T: 3-16 W: - R: -	T: 5-15 W: - R: -
Bosnia and Herzegovina <i>Sarajevo</i>	T: 0-9 W: SW 6 R: -	T: 2-4 W: SE 4 R: -	T: 2-9 W: L-V R: -	T: 2-9 W: - R: 2	T: 0-8 W: - R: 5
Bulgaria <i>Sofia</i>	T: -3-9 W: L-V R: -	T: 0-10 W: - R: -	T: 1-10 W: L-V R: -	T: 1-10 W: - R: 0.2	T: 0-11 W: - R: -
Croatia <i>Zagreb</i>	T: 3-9 W: SW 11 R: 10	T: 0-0 W: E 12 R: 0-	T: -2-11 W: SW 6 R: -	T: 1-10 W: SW 6 R: -	T: 2-9 W: SW 4 R: 0.4
Greece <i>Athens</i>	T: 8-16 W: SW 6 R: -	T: 10-16 W: L-V R: -	T: 8-16 W: E 4 R: -	T: 10-15 W: L-V R: -	T: 10-15 W: NW 6 R: -
Macedonia <i>Skopje</i>	T: -3-11 W: L-V R: -	T: -1-10 W: - R: -	T: 1-11 W: - R: 2	T: 0-10 W: - R: -	T: -2-11 W: - R: -
Montenegro <i>Podgorica</i>	T: 3-11 W: SW 6 R: -	T: 4-11 W: SE 8 R: 4	T: 5-12 W: SE 6 R: 2	T: 4-14 W: - R: -	T: 4-12 W: - R: 1
Romania <i>Bucharest</i>	T: -2-8 W: SW 6 R: -	T: -2-8 W: - S: -	T: 0-3 W: - R: 1.5	T: 1-7 W: - R: -	T: 0-10 W: - R: -
Serbia <i>Belgrade</i>	T: 2-12 W: S 19 R: -	T: 2-3 W: SE 4 R: 5	T: 3-13 W: SE 19 R: -	T: 3-11 W: SW 4 R: -	T: 3-10 W: W 4 R: -

Average weather conditions for February

	Daily Minimum (°C)	Daily Maximum (°C)	Mean total rainfall	Mean number of rain days
Bosnia and Herzegovina <i>Sarajevo</i>	-2.3	5.9	67	9
Bulgaria <i>Sofia</i>	-2.9	4.9	31	10
Croatia <i>Zagreb</i>	-2.5	6.1	41.9	10
Greece <i>Athens</i>	5.4	13.5	46.7	10.4
Macedonia <i>Skopje</i>	-1.3	8.4	36	9
Montenegro <i>Podgorica</i>	3.1	11.3	167	12
Romania <i>Bucharest</i>	-3.3	4.1	36	6
Serbia <i>Belgrade</i>	-0.2	6.4	44	12

Analysis:

Dependency of electricity production in hydro power plants in South East Europe on precipitation, 2nd part

In this issue of Balkan Energy NEWS we are presenting a review of dependency of monthly electricity production of hydro power plants in South East Europe on average monthly precipitation. This can be useful review of data presented in observable way which can be further used for shorter term estimations of electricity production in countries of South East Europe depending on rainfall forecasts. In this issue of Balkan Energy NEWS data for Bulgaria, Greece and Romania.

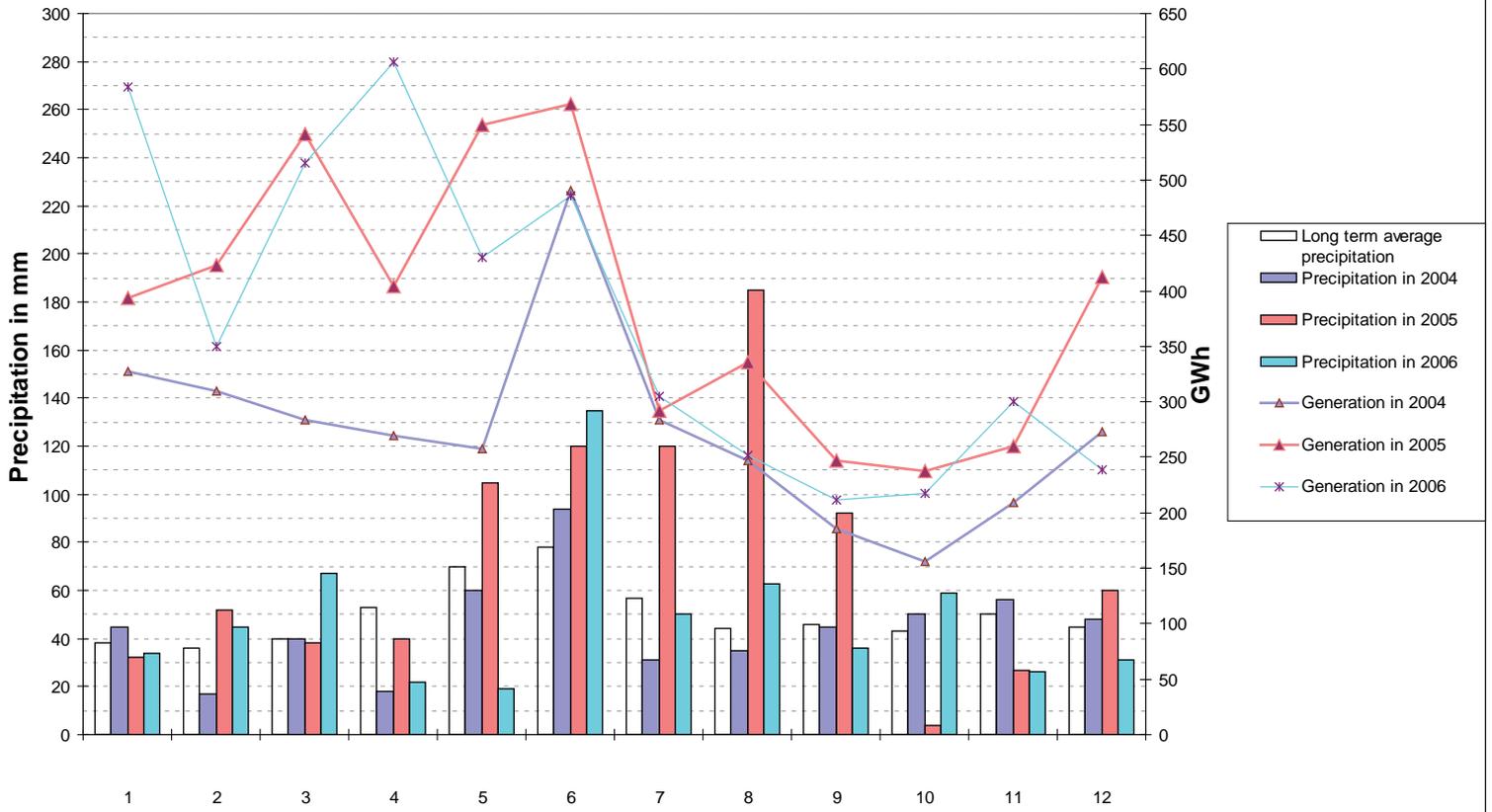
Historical dependency of monthly electricity production from hydro power plants is shown on the same diagram with monthly value of precipitation. Average monthly precipitation for each country is also shown, based on several decades measurements. Amount of precipitation in capital cities are used as reference

Although not only rainfall in specific country is relevant for electricity production, but also decisions of accumulation in specific basins, accumulation in upstream basins, rainfall and snow melting in upstream countries, from this data it can be concluded that rainfall in specific country has great influence in its electricity production from hydro power plants.

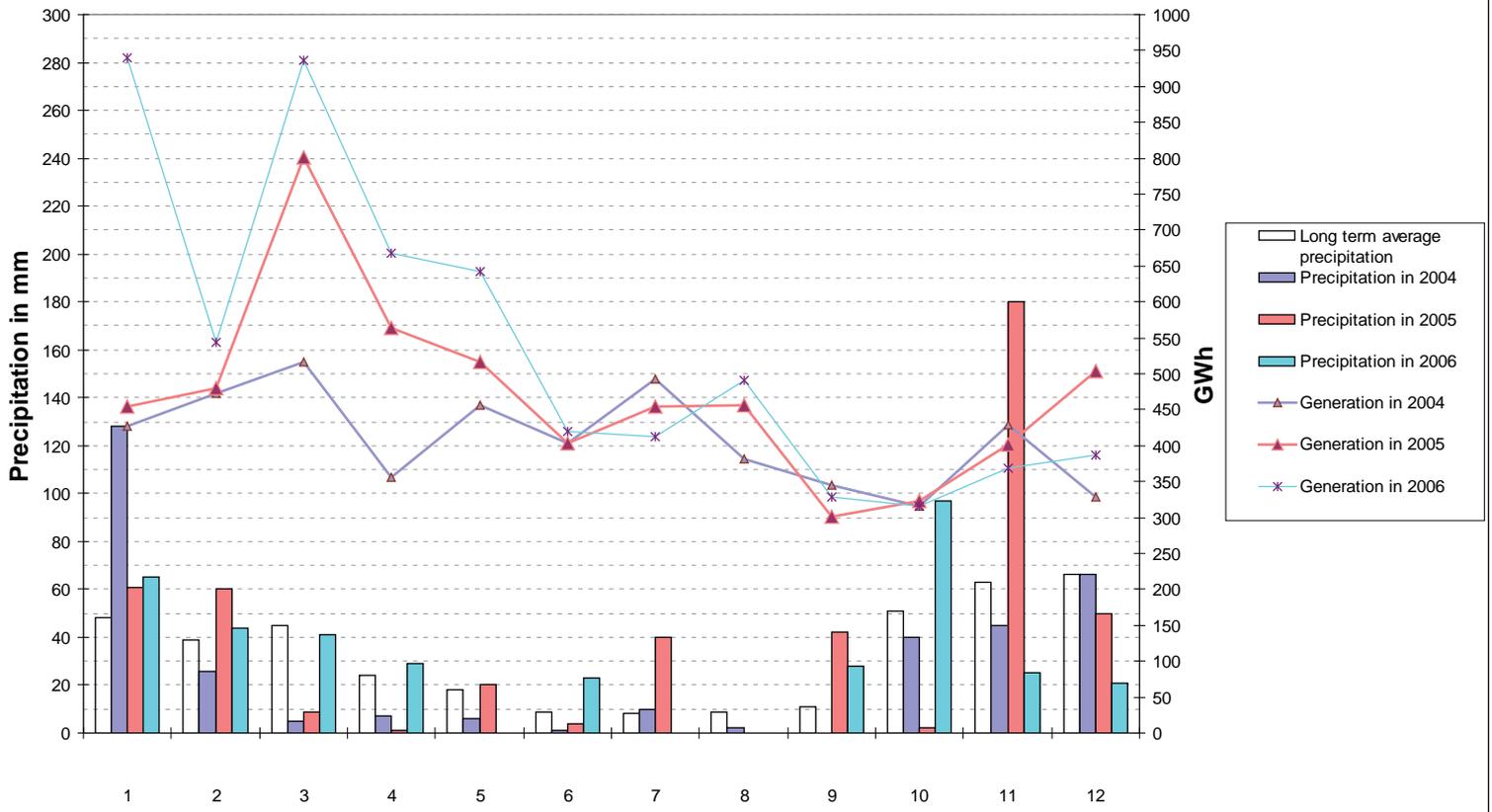
Balkan Energy News is open for preparation of customised studies, reviews and analyses related to power sector in South East Europe and we will be happy to give you proposals for topics you are interested in.

We wish you to find useful conclusions based on data presented below.

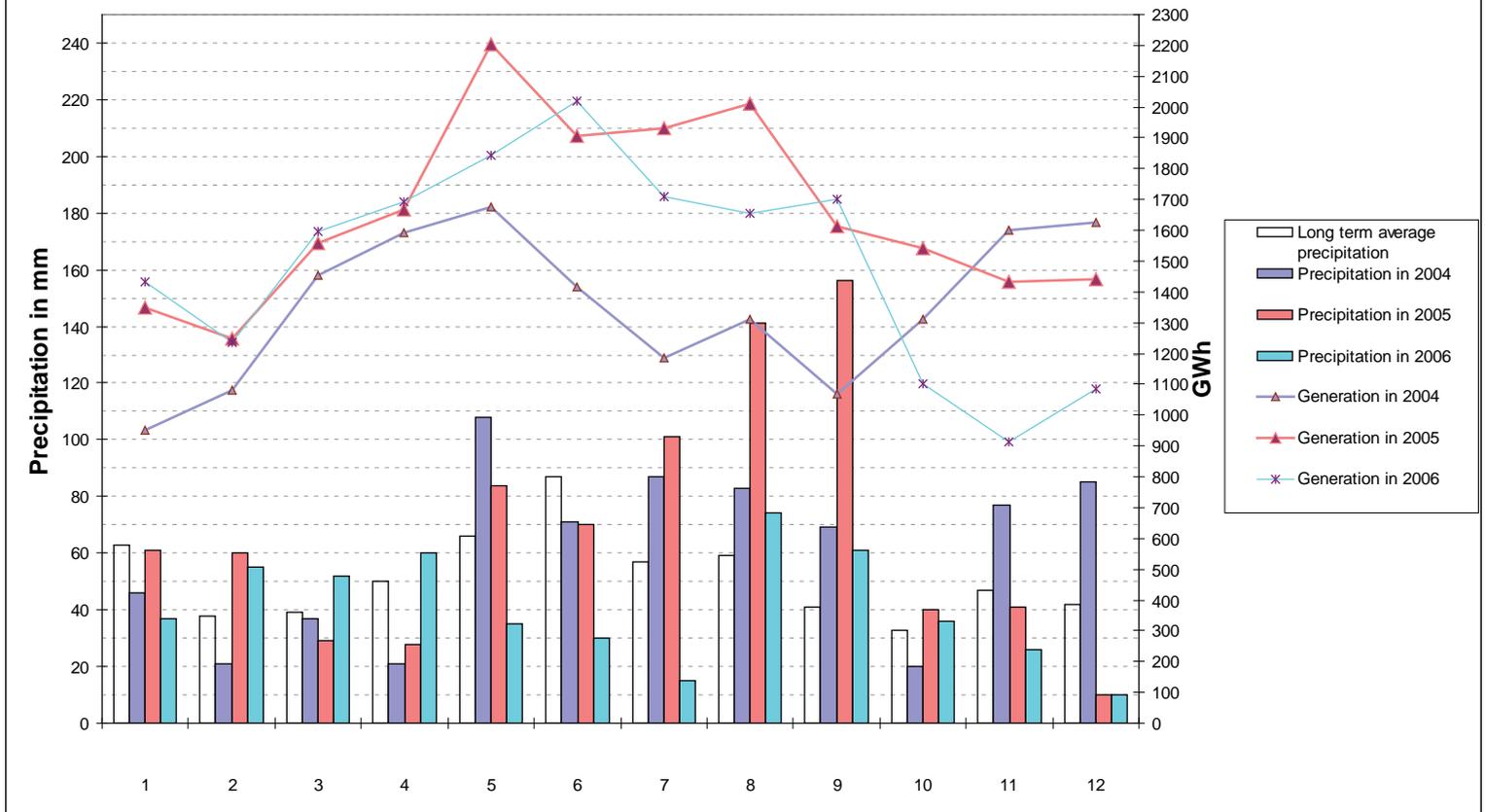
Bulgaria Hydro generation & Precipitation



Greece Hydro generation & Precipitation



Romania Hydro generation & Precipitation



Bulgaria

		January	February	March	April	May	June	July	August	September	October	November	December
Hydro generation (GWh)	2004	327	310	284	270	258	490	284	247	186	156	209	273
	2005	393	423	541	404	550	568	292	336	247	237	260	413
	2006	584	350	515	606	430	486	305	252	212	218	300	239
Average monthly participation	2004	45	17	40	18	60	94	31	35	45	50	56	48
	2005	32	52	38	40	105	120	120	185	92	4	27	60
	2006	34	45	67	22	19	135	50	63	36	59	26	31
Long term average participation	Long term	38	36	40	53	70	78	57	44	46	43	50	45

Greece

		January	February	March	April	May	June	July	August	September	October	November	December
Hydro generation (GWh)	2004	427	473	516	355	456	403	492	382	344	316	429	328
	2005	455	480	802	564	517	404	454	456	302	323	402	503
	2006	939	543	936	667	643	419	413	491	328	315	368	387
Average monthly participation	2004	128	26	5	7	6	1	10	2	0	40	45	66
	2005	61	60	9	1	20	4	40	0	42	2	180	50
	2006	65	44	41	29	0	23	0	0	28	97	25	21
Long term average participation	Long term	48	39	45	24	18	9	8	9	11	51	63	66

Romania

		January	February	March	April	May	June	July	August	September	October	November	December
Hydro generation (GWh)	2004	951	1082	1455	1592	1675	1415	1187	1312	1070	1311	1601	1625
	2005	1350	1250	1560	1666	2204	1906	1932	2009	1613	1541	1434	1443
	2006	1432	1235	1597	1693	1842	2018	1710	1654	1701	1103	913	1084
Average monthly participation	2004	46	21	37	21	108	71	87	83	69	20	77	85
	2005	61	60	29	28	84	70	101	141	156	40	41	10
	2006	37	55	52	60	35	30	15	74	61	36	26	10
Long term average participation	Long term	63	38	39	50	66	87	57	59	41	33	47	42

News:**EFT reported 800 million euros of income in 2008 (Region)**

The president of EFT Group, Vuk Hamovic, confirmed that the company had delivered 15 TWh of electricity and reported record of 800 million euros of income in 2007. By this, EFT had strengthened its position of leading electricity trader in Southeastern and Central Europe, Hamovic said.

EFT was active in 18 countries, while 65 % of overall income was achieved on EU markets. Hamovic pointed out that EFT, in this moment, has in disposal more electrical energy than most of the power utilities in the region, which enabled EFT to become one of the largest traders in Austrian power exchange, but also the leading electricity supplier in Greece, Hungary, Slovenia, Croatia, Montenegro, Macedonia and Albania.

According to Hamovic, some 20 electricity traders have been active in the region, while several largest companies from Europe and Russia have serious plans to step into the market. In the same time, the liquidity of electricity market in the region increased comparing to previous years, head of EFT said.

EFT plans to provide part of the electricity from its own sources. So far, the company has invested more than 50 million euros and it has become the largest foreign investor in energy sector in Bosnia and Herzegovina (BiH). Overall investments in the most important project in BiH, the construction of thermal power plant (TPP) Stanari (400 MW) should reach 800 million euros. The first phase of the project was finished, while in 2013, the TPP should produce 25 % of overall electricity production in BiH. The project should be funded through loans, where EFT has been negotiating with potential partners and European bank for reconstruction and development.

In 2008, EFT should start one large project in Romania, while several projects in BiH, Montenegro and Romania are under consideration.

Hamovic believes that monopoly of Power utility of Serbia (EPS) was preserved through low price policy due to political reasons, which would, in long-term, negatively affect both the citizens and the state. The subsidies should be granted to under privileged citizens, schools, hospitals, but there were no reasons to subsidize factories and other enterprises, Hamovic said. He also criticized pompous plans for construction of new power plants in Serbia, which gave no results, as well as low energy efficiency.

§ § §

RWE to become partner in Nabucco project (Region)

On January 22, Turkey has accepted German RWE to be the sixth partner in the Nabucco project. After Turkish prime minister gave its approval, Turkish Botas, the member of Nabucco consortium, along with OMV, MOL, Bulgargaz and Transgaz, should sign partnership agreement with RWE.

The negotiations on the sixth partner were initiated long time ago, where RWE and Gaz de France were the favorites. The negotiations over the sixth partner were delayed due to political reasons, i.e. Turkey did not want to accept the Gaz de France after France voted

a law on genocide over Armenians committed by Turkey in 1915-1916.

General manager of Nabucco Pipeline International Ltd, Reinhard Mitschek, said that seventh partner could join the consortium in February. The consortium would welcome a partner that would increase project's worth, Mitschek said. The seventh partner should meet the same conditions as the rest of the consortium members, i.e. the sound finances and the access to gas supplies or gas customers.

The Nabucco pipeline is aimed to reduce EU dependence on Russian natural gas supplies. The cost of the project is estimated at 5 billion euros, the pipeline should be 4,000 km long and it should have some 30 billion cubic meters capacity.

§ § §

EVN to build a cascade HPP (Albania)

Austrian EVN AG officials announced that EVN has won a tender for construction of three hydro power plants in south Albania. HPPs will be cascade type, on Devoll river.

Project should be finalized in 6 years, and cost is estimated to 900 million euros. Total output of this cascade would be between 320 and 400 MW, with estimated annual production of 1 000 GWh. Construction site is 200 kilometers from Tirana.

The planned project is the first result of the agreement signed by the government of Austria, the Republic of Albania and EVN in the beginning of 2007.

Terms and conditions of the concession would be agreed with the Albanian government in coming months, EVN said.

§ § §

Blackout due to overload (Albania)

On 16th of January, Albanian power grid has collapsed, causing 45 minutes blackout. Albanian Power Corporation (KESH) officials said that blackout has been caused by malfunction (due to overload) in HW substation in southern Albania, on a line Zemblak-Kardia, connecting Albanian with Greece. After isolation of this line, other connections with Kosovo and Montenegro collapsed. It seems that first crush was caused from large import from Serbia, and after it collapsed, main power line to Greece could not handle entire load.

Affected Albania-Greece power line serves approximately 75% of entire Albanian electricity import. Albania imports 30-35% of entire electricity for public demand.

Albanian production is almost entirely dependent on hydro generated electricity, and lack of water, large imports, constant consumption growth and insufficient interconnection lines with old equipment resulted frequent power cuts in Albania.

§ § §

No power cuts by middle 2009 (Albania)

On 25th of January 2008, Albanian Minister of Economy, Trade and Energy, Genc Ruli, said that there will be no problems for power supply to customers who pay their electricity bills.

This statement is justified with new projects regarding increase of generation capacities, such TPP Vlore, mobile generators, new inter-connections and SHPPs under construction, and renewable energy projects.

§ § §

Italian company to build a wind farm (Albania)

Italian construction company "Moncada Construzioni" has announced a plan to build a biggest onshore wind farm in Europe, and it will include undersea link connecting Italy (Brindisi) and Albania (Vlora). This project has been approved by Albanian government earlier.

Planned capacity of wind farm is planned to be 500MW, according to Moncada. It will be located near City of Vlora, on the Karaburun peninsula. Undersea 400kV link will be 145 km long, on the dept of approximately 900 meters, and it will have capacity of 500 MW. Albanian connection side is planned to be in Vlora. This link would be used for import of energy to Italy. "Moncada Construzioni" also plans to build a 500 MW link to Tunisian Republic

Currently, biggest European wind farm is under construction in Scotland, with installed capacity of 322 MW.

As a reminder, earlier this month, Italian "Marseglia Group" presented their plans for construction of 270 MW wind farm and in Balldren and 140 MW biodiesel power plant. Total worth of these projects is of 400 million euros.

§ § §

TPP Fieri sold (Albania)

On Wednesday, 30th of January, Albanian government has sold a TPP Fieri to Greek consortium "Atermon SA, Roder & Blackwell Consulting". By the agreement, Greek consortium will invest 100 million euros in modernization of TPP Fieri, in order to increase its output from 159MW to 200 MW. Also, all necessary operations will be done in order for this power plant to comply with EU emission standard. Project is expected to be finalized in early 2009.

Fieri is oil fired power plant, located 100km south of Tirana, capital of Albania. It was decommissioned in 2007, because of the severe pollution caused by its outdated Soviet and Czechoslovak technology.

The distribution branch of Albania's power utility, KESH, the insurance company, INSIG, and the only oil refinery in the country, ARMO, will all be sold off later this year. The "€1 initiative" makes publicly-owned land and assets available to investors in exchange for the promise of substantial capital investment.

§ § §

The deadline for feasibility and environmental study for TPP Ugljevik prolonged (Bosnia and Herzegovina)

The government of Republic of Srpska (RS) decided to prolong the deadline for finishing the feasibility and environmental study for investments in thermal power plant (TPP) Ugljevik until May 15, 2008. The original deadline was set at September 2007.

The cooperation agreement, which envisaged preparation of the studies, was signed by Power utility of RS (ERS) and British-American company AES in March last year. The studies should decide which option would be the most profitable, the renewal of existing facilities in the coalmine and TPP or the construction of new unit (probably 600 MW), the officials said.

Deputy minister of economy (in charge for energy), Ljubo Glamocic, said that the latest decision was not an attempt of AES to invest in coalmine and TPP Ugljevik. When the studies were finished, the government should decide on the models for investments.

By prolonging the deadline, the government adopted the annex of the original agreement, which was never published by the government. On the other hand, media in RS came in possession of the agreement and published it. The particular media said that the agreement was not referring only to the studies, but also gave exclusive rights to AES over future investments in TPP Ugljevik.

In 2007, when the agreement was signed, even the minister of economy, Rajko Ubiparip said that although the government would invite all potential investor to take part in the potential projects in Ugljevik, the AES would be one of preferred partners.

The agreement obliged parties to keep the document secret. The agreement also envisaged potential partnership of ERS and AES by establishment of joint venture company. According to first model, ERS could invest part of existing TPP and the coalmine, the second option envisaged that ERS could invest entire coalmine and TPP in the joint venture, while the third option implies that ERS could invest cash funds in the joint venture, the same as AES.

In the same time, according to agreement, ERS and AES should jointly fund the studies, while ERS would not be allowed to use the study results if the future partner in the projects was different from AES. In fact, the main purpose of the cooperation agreement and the studies is to evaluate potential participation of AES in the projects in Ugljevik.

Some experts believe that agreement for making the aforementioned studies was against the laws in RS having in mind that public procurement laws imply that ERS should have launched tender for this purpose.

§ § §

The cooperation agreement between ERS and Statkraft signed (Bosnia and Herzegovina)

On January 29, the prime minister of Republic of Srpska (RS), Milorad Dodik and general manager of Norwegian Statkraft, Bard Mikkelsen, signed an Agreement on cooperation in energy sector.

The signing of the agreement was attended by Norwegian ambassador in Bosnia and Herzegovina (BiH), Jan Braathu and minister of economy, energy and development of RS, Rajko Ubiparip. The cooperation agreement is the first one signed by Statkraft in BiH.

The agreement is related to construction of four run of the river hydropower plants (HPPs) on Vrbas River. The agreement envisaged the conduction of necessary researches and preparation of the studies and general designs for the project, which would be used for preparation of final agreements for the start of the construction projects.

The foundation for the project will be old researches conducted 25 years ago. At the time, the studies showed that four HPPs with overall power output of 70 MW could be built on Vrbas River. The worth of the project is estimated between 70 and 100 million euros. Dodik said that two parties did not discuss the amount of investments at this point, where the future negotiations would deal with this issue. The construction of HPPs would be followed by reconstruction of riverbanks and investments in sport and recreational centers nearby HPPs.

Prime minister Dodik considers this agreement as very important for RS. He explained that government was in favor in cooperation with Stakraft because Norwegian company is recognized and well-known company in hydropower sector. The latest agreement represents the start of government's policy in electricity sector, prime minister pointed out. On the other hand, RS would not privatize existing facilities of Power utility of RS (ERS), Dodik said.

Head of Stakraft believes that RS has great hydro potential and he was looking forward to long-term cooperation between Stakraft and RS. Mikkelsen announced that the company would open office in Banja Luka in RS.

Several days before the signing the agreement, two parties had a meeting, after which government of RS adopted the draft agreement which was signed with Stakraft, Stakraft also expressed readiness to cooperate with ERS in projects for construction of HPPs on rivers Neretva and Drina. During the meeting, Stakraft informed Dodik that company produced some 42 TWh of electricity in the last year and reported 2 billion euros of income.

In the end of January, Stakraft opened its office in Belgrade. This office will be in charge for company's activities in Serbia, Bosnia and Herzegovina and Macedonia. The company already has offices in Albania, Romania and Bulgaria.

§ § §

Establishment of joint venture company for HPP Buk Bijela on February 1 (Bosnia and Herzegovina)

The agreement for establishment joint venture company, which will be responsible for construction of hydro power plant (HPP) Buk Bijela and possibly other HPPs on Drina River, will be signed by Power utility of Republic of Srpska (ERS) and Power utility of Serbia (EPS) on February 1. This was announced by minister of economy, energy and development of Republic of Srpska (RS), Rajko Ubiparip.

ERS and EPS should own equal shares in the joint venture, where RS demanded that new company should be registered in RS. In the same time, HPP would be the part of electricity system of RS and it should be managed by ERS, Ubiparip said.

Minister confirmed that, in parallel to the aforementioned activities, two power companies started preparation of feasibility and economic justification study, as well as hydrological study for Drina River. The tender documents for those studies will be prepared by EPS, with active participation of experts from RS.

Deputy minister of economy, energy and mining, Ljubo Glamocic, reminded that original planned output of HPP Buk Bijela should have been 450 MW, but after Montenegro decided to abandon the project due to ecological reasons, EPS and ERS have been considering options for construction of 175 MW or 135 MW power plant. The annual production of the plant should reach 1.15 TWh.

Glamocic said that two power companies would revive the studies for construction of HPPs Foca (200 GWh annual production), Paunci (160 GWh) and Sutjeska (60 -70 GWh). According to initial estimations, overall cost of aforementioned projects should reach 1 billion euros.

During the same occasion, minister Ubiparip confirmed that government of RS, so far, had granted 107 concession contracts for construction of small HPPs in the country to 47 concessionaries. Eight concession contracts were granted to ERS. Overall power output in those plants is 281.67 MW. So far, only small HPP Divic was put in operation.

Due to large number of problems faced by concessionaries, such as lack of required documentation, ownership disputes, etc, the government of RS decided to prolong deadlines for start of construction of small HPPs and offered its help for solution of problems.

Minister said that the country has great and unused potential for electricity production. According to him, existing coal reserves in Ugljevik and Gacko could provide coal for 600 MW units each. In the same time, preparations for construction of new 400 MW thermal power plant (TPP) near Stanari coalmine are in progress, Ubiparip reminded.

In addition, only 30 % of national hydro potential was used for electricity production, minister said. According to data of ERS, usable hydro potential is estimated at some 10 TWh of electricity per year.

Minister reminded that ERS has overall installed power output of 1,300 MW, where annual production reaches between 5 and 5.5 TWh. Out of that amount, 3.5 TWh has been delivered to domestic customers, while the rest has been exported.

Minister Ubiparip confirmed that concession contract for construction of TPP Stanari, which will be signed with EFT, is close to finalization. According to plans, TPP Stanari could be built by 2012.

§ § §

Wind farms to be built in Herceg Bosnia County (Bosnia and Herzegovina)

Deputy minister of economy and industry of Herceg Bosnia County, Mate Sisko, confirmed that experts' analyses showed that the County has favorable conditions for construction of wind farms.

The company Vran-Djukic made a greatest progress and it had already filed the request for granting the concession for construction of wind farm in Gradina, in Tomislavgrad municipality. The government of the County should approve their request by the end of January, deputy said. Vran-Djukic company plans to build 54 wind generators with 2 MW of power output each.

In municipality of Livno, the company Ivovik plans to build 24 wind generators with 2 MW each. The company finished the researches, but still did not file the request for concession.

In the related news, Sisko confirmed that one of the main priorities of the County would be the second phase of construction of hydro-

power plant (HPP) Orlovac on Busko Lake. The project should be carried out in cooperation with Power utility of Croatia (HEP), which should invest 40 million euros in the project.

§ § §

Disputes over plans for construction of new power plants (Bosnia and Herzegovina)

In the second half of January, the main topic in energy sector of Bosnia and Herzegovina (BiH) were the mutual accusation of leading politicians, officials from energy sector and journalists regarding the large-scale projects for construction of power plants in BiH.

As a reminder, in November last year, the government of Federation of Bosnia and Herzegovina (F BiH) selected Austrian APET Group, German EnBW and KazTransGas from Kazakhstan to be the strategic partner for construction of four hydropower plants (HPPs) and four thermal power plants (TPPs).

APET Group will be involved in construction and operation of hydro-power plants (HPPs) Ustikolina (3 x 22 MW), Vranduk (21 MW), and Vrilo (42 MW) and TPP Kongora (2x275 MW).

EnBW will be involved in construction and operation of unit 7 in thermal power plant (TPP) Tuzla (370 MW), TPP Bugojno (2x300 MW) and HPP Unac (2 x 36 MW), while KazTransGas will be strategic partner in project for construction of TPP Kakanj (250 MW). The cost of all projects is estimated at some 3.5 billion euros.

The dispute was triggered after not appointing the Edhem Bicakcic as new president of supervising board of Power utility of BiH, as it was agreed by leading parties in BiH, SDA and SBiH.

The turmoil in energy sector was continued after the leading daily newspaper Dnevni avaz had published accusations against minister of energy Vahid Heco and Safet Orucevic, the representative of APET Group, by claiming that the strategic partners for construction of power plants were selected without proper tender procedure, where several companies were favored.

Heco responded that strategic partners were selected after publishing the tender in which 37 companies filed the bids. The minister accused newspapers they launched campaign against him in cooperation with leading electricity traders and tycoons from Serbia. He named Miroslav Miskovic, Vojin Lazarevic (owner of Rudnap) and Vuk Hamovic (EFT).

Heco said that he was attacked for his honest policy in energy sector. That policy implies that there would be no sale of power plants in BiH, that the electricity surpluses in BiH should be sold only through transparent tender procedures and that only investors that accept majority ownership of the state of BiH in new power plants would be welcomed.

In the same time, ministry of energy would never approve investments such as ones signed by government of Republic of Srpska (RS) and CEZ regarding TPP Gacko.

Minister Heco repeated that mighty lobbies are trying to achieve their goals through the latest accusations. He also believes that accusations in daily papers are aimed to compromise and disrupt the largest investments in electricity sector in F BiH in the past 50 years. In his press release, Heco claims that future partners of F BiH are the most distinguished companies from Germany, Austria and Kazakhstan.

Minister Heco also sent a letter to the district attorney in Sarajevo in which he called him to perform complete insight in tender procedure for selection of strategic partners. By this, Heco wanted to remove all suspicions in this matter and to prove the legality of the procedures. Minister called for prompt actions in order not to lose strategic partners, which were affected by the latest accusations.

Safet Orucevic also denied all claims said in Dnevni avaz. He announced that the companies he represents in BiH would ask for inquiry in this issue and it would ask for legal protection.

The owner of Rudnap, Vojin Lazarevic, denied all claims regarding its interest in construction of power plants in BiH. On the other hand, he confirmed that Rudnap, as electricity trader, is interested in purchase of electricity from EP BiH.

Electricity trader EFT also issued a press release in which it denied false insinuations printed in Dnevni avaz. EFT said it would not comment false accusations, especially those produced for political purposes. EFT was one of the main partners of EP BiH, where all business arrangements were agreed through public tender procedures, EFT concluded.

Experts believe that interest of electricity traders in electricity market in BiH was increased having in mind that EP BiH should have considerable surpluses in 2008. In April this year, EP BiH and HEP would complete five-year agreement for return of electricity by EP BiH to HEP. In this way, EP BiH will pay to HEP for prewar investments in electricity sector in BiH. The overall electricity surplus is estimated at 1 TWh.

In the same time, special experts' commission established by the government of F BiH adopted the report, which said that procedure for selection of strategic partners, which should be involved in preparation works, construction and operation of power plants, was in accordance to laws so far.

The report was prepared after checking entire documentation from the tender procedure, the commission said. The special commission was established in the second half of January after the latest development in order clarify all suspicions and activities related to investments in energy sector.

Minister Heco also informed High representative of EU in BiH, Miroslav Lajcak in which he informed him about the information issued by special commission.

The member of presidency of BiH, Haris Silajdzic, expressed strong support to minister Heco in the latest dispute. Silajdzic supported all activities related to construction of new power plants in the country, where he believes that everything was done in accordance to laws. He offered its resignation if it was found that minister Heco breached any laws during the procedure for selection of strategic partners. High official reminded that strategic partners would be obliged to invest entire funds for the projects, while the state would remain majority owner of new power plants. Silajdzic did not want to comment the claims that media attacks on minister Heco were related to Serbian tycoons.

The representatives of APET Group held a press conference and presentation of its plans in energy sector in BiH.

The conference was attended by Johannes Dotter (member of management of Porr), Alfred Lehner and Friedrich Pink (general manager of Wien Energie), along with the advisor of APET in BiH, Safet Orucevic. The presentation was also attended by Austrian ambassador in BiH, Werner Almhofer. APET officials pointed out that Group has experience in management of HPPs, TPPs, wind farms, and biomass power plants.

APET officials clarified that the Group would invest funds in the projects in BiH, while all power plants would remain ownership of the state of BiH.

APET should build power plants with overall power output of 680 MW, the company said. Overall cost of the projects will be 834 million euros, i.e. 111 million euros for HPP Ustikolina, 57 million euros for HPP Vranduk, 50 million euros for HPP Vrilo and 616 million euros for TPP Kongora.

APET said that Porr and Wienstrom are two international and recognized companies from Austria. Porr AG was founded in 1869; it has annual income of 2.7 billion euros and employs 10,800 workers. The company has great references in building engineering and construction.

Wienstrom, with tradition of over 100 years, has annual income of 2 billion euros. The company is the member of concern Wien Energie, and it is involved in investments in energy facilities, and in electricity and natural gas supply in Austria. In the last year, the company has invested 382 million euros from its own funds.

The officials from APET Group explained that former member of consortium, such as Siemens, Va Tech Hydro, had to step out from the project having in mind that those companies are not investors such as Porr and Wienstrom. The aforementioned companies are involved in sales of equipment and providing of services, so that they could not be strategic partners according to Public procurement laws of BiH, APET said. Safet Orucevic explained that aforementioned companies should take in the future tenders for providing the equipment and services for the projects.

Austrians were surprised by the latest media campaign against them, which was led by Dnevni avaz and which was aimed to compromise members of APET, the companies Porr and Wienstrom. APET has strongly protested against the claims in the newspaper by which someone tries to discredit APET Group and tries to link the company to some other companies out of Austria. The Group announced to use all legal actions in order to protect its business reputation.

APET is active in Serbia and Montenegro, and after Sarajevo, the Group plans to open its office in Banja Luka, where the company also wants to get involved in energy projects.

After the press conference of APET, chief editor of Dnevni avaz, along with several newspapers from BiH, sent the protest letter to Austrian ambassador in which they protested for not being invited to APET's press conference. They claimed that invitation was sent only to journalists close to Safet Orucevic.

Dnevni avaz said that APET has been trying to cover up the fact that companies Va Tech, Alstom, Siemens, Voith, Poyry and Alpine stepped out from consortium that was selected to be strategic partner. In the same time, the member of APET became the Wienstrom, which was not original member of the consortium during the official tender procedure.

Several opposition parties also said that the fact that APET changed its structure should be considered as irregularity.

The latest development came in the middle of parliamentary procedure for approval of strategic partnerships in energy sector. In the last day of January, the parliament of BiH decided to cancel the discussion related to approval of decision for selection of strategic partners. The postponement was explained by the absence of the leader of SDA party, Sulejman Tihic.

In the same time, minister Vahid Heco asked from federal prime minister, Nedžad Brankovic, to demand from the parliament to cancel the parliamentary discussion for the time being having in mind media campaign against him. The parliamentary discussion was initiated by the government, which was obliged to get parliamentary approval for signing the agreements with strategic partners.

§ § §

8.12 % increase in electricity prices (Bosnia and Herzegovina)

Chairperson of Federal energy regulatory commission (FERK), Risto Mandrapa, confirmed that electricity prices for customers of Power utility of Herceg Bosnia (EP HZHB) would be increased by 8.12 % in average.

Electricity prices for households will be increased by 5.88 % up to 6.72 eurocents/kWh, while price increase for large industrial customers will be 13.55 % up to 4.76 eurocents/kWh.

The price increase for customers connected to 35kV grid will be 6.42 %, while customers connected to 10kV grid will pay 5.43 % higher electricity prices.

New prices will be effective starting from January 1, 2008.

The price increase was approved due to fact that EP HZHB will be forced to import 35 % of overall needs for tariff customers at the price of 76 euros/MWh. According to Mandrapa, after the latest price increase, the average electricity bill for households will be increased at 23 euros.

The customers of Power utility of BiH, the second power company in Federation of BiH, pay average price of 6.56 eurocents/kWh.

§ § §

NEK warned on potential electricity shortage (Bulgaria)

National electric company (NEK) warned that country could be in danger of power cuts in case of emergency tripping of 600 MW in power plants.

The officials from Electricity system operator (ESO) said that large number of overhauls in progress is the highest danger for national electricity system. The prolongation of simultaneous overhauls of units 3 and 4 in thermal power plant (TPP) Maritsa Iztok 3 and units 3 and 4 in TPP Maritsa Iztok 2, as well as the earlier than planned start of overhaul in TPP Varna are the main problems for NEK and ESO in this moment, officials said.

In the second half of January, experts said that NEK has been providing sufficient amount of electricity, but the stability in supply could have been easily disturbed in case of tripping of any of the power plants.

As a reminder, in mid January, Bulgaria decided to impose temporary restrictions for electricity export until March 31, where this decision would be reviewed every week. The main reason for this decision was extremely cold weather and increase in domestic consumption by 20 %. Because of that, Bulgaria was forced to engage power plants in cold reserve and to increase electricity production in hydropower plants.

On the other hand, electricity traders, which were affected by the latest development, asked from NEK and ESO to explain why the shortage situation occurred so that they could settle their contractual obligations.

§ § §

TPP Varna to acquire 540,000 tons of coal (Bulgaria)

The management of thermal power plant (TPP) Varna confirmed that the company had signed the contract for purchase of 540,000 tons of coal. The coal should be delivered during first quarter of 2008.

TPP Varna provided overall amount of 600,000 tons of coal during summer in order to enable stable electricity production. The management pointed out that the TPP supports the national electricity system despite the fact that price paid to the TPP is below the production costs. According to TPP's officials, the state should set adequate electricity prices for electricity producers.

The company's data showed that, in the last year, TPP's obligations related to reserve capacity agreement had been met, while in the same time, large amount of electricity was exported from Bulgaria. The management reminded that price of electricity that was exported reached over 70 euros/MWh, while TPP Varna sold electricity at 28 euros/MWh.

Due to low electricity prices and increase in coal prices, the TPP has been suffering financial losses, the management said. The officials said that, in this moment, the company has additional 6 euros of losses for every MWh produced by three units for the purpose of capacity reserve agreement, where this expense would soon amount up to 7 euros/MWh.

As a reminder, in May 2006, CEZ purchased 100 % of shares in TPP Varna (6x210 MW) for 206 million euros.

§ § §

The campaign for restart of units 3 and 4 in NPP Kozloduy (Bulgaria)

European energy commissioner, Andris Piebalgs, said on January 24 that restarting of units 3 and 4 in nuclear power plant (NPP) Kozloduy would not happen under any circumstances.

He said that the most appropriate time for starting such campaign should have been before the signing the Accession agreement.

The Piebalgs' statement came after Bulgaria prime minister, Sergey Stanishev, announced the start of national campaign for restarting the two units. The units were decommissioned on the last day of 2006 due to safety reasons and in accordance to the agreement signed between EU and Bulgaria.

Piebalgs said that reaching the decision for restart of the units would be against basic principles having in mind that Bulgarian officials had admitted in the agreement that units were not safe enough. This became the part of Accession agreement, and it was ratified by all EU member states. The raising of this issue again would be politically dishonest, Piebalgs concluded.

Commenting the Bulgarian plans for leasing the units to foreign companies, the energy commissioner said that that would not

change anything, since EU would treat the third parties the same as Bulgaria. On the other hand, Piebalgs did not exclude an option for Bulgaria to receive additional compensation for shutting down the units.

EU earlier said it would help Bulgaria in developing its energy strategy and reminded that it had supported another nuclear project, the Belene project. EU could discuss other initiatives and energy efficiency projects, but the Kozloduy issue was closed, the Ferran Terradellas, the spokesperson of energy commissioner, said.

The national campaign for restart of nuclear units started on January 21, after politicians, experts and journalists supported the idea, which could be, as they believe, beneficial for both Bulgaria and the region. Prime minister Stanishev said that Bulgaria could possibly ask from European commission (EC) to restart the units in case of emergency. This should be done only temporary, Stanishev said. On the other hand, since there is no electricity shortage in Bulgaria, this option is out of the question for the time being, the prime minister said.

Stanishev believe that restarting of the units would be difficult to achieve and said that Bulgaria would not unilaterally restart the units. He hopes that Bulgaria would be able to provide strong support from the countries in the region, which have been affected more than Bulgaria by the lack of electricity.

Minister of energy Petar Dimitrov also believes that countries in the region would give their support to Bulgarian campaign. Dimitrov said that if Bulgaria was not allowed to restart the units, the compensation for shutdown of the units should be much higher comparing to agreed amount of 550 million euros. According to Bulgarian officials, the loss from shutdown of the units could reach 2.5 billion euros. The minister also believes that units were decommissioned not because of technical but because of political reasons.

The campaign for restart of units was supported by leading politicians in Bulgaria. President Georgi Parvanov, the major of Sofia and leader of the party Citizens for European Development of Bulgaria (CEDB), Boyko Borisov, and the Chairman of the group of the European People's Party and European Democrats in the EP, Joseph Dau demanded in a joint statement to conduct new checks in order to prove that units 3 and 4 are safe.

Three officials said that restart of the units should be followed by public debate. In the same time, representatives of CEDB said that shutdown of units was politically motivated and that EU could give support to the project having in mind Bulgarian role as electricity supplier in the region, which has lack of electricity.

Bulgarian officials said they have been negotiating with several international companies regarding the potential lease of units 3 and 4. In exchange, those companies should lobby for restarting the units. Prime minister Stanishev and minister Dimitrov, believe that corporate lobbyists would have better results comparing to Bulgarian politicians regarding the Kozloduy issue.

According to Bulgarian media, the potential partners could be British company BNFL and Canadian companies Bruce Power and Atomic Energy of Canada Limited (AECL). The Bruce Power is involved in similar project for restarting the two reactors in Canada. On the other hand, BNFL is the partner in the international consortium that operates the Project Management Unit (PMU) in NPP Kozloduy, which is responsible for the preparation of documents required for its decommissioning.

According to some options, the potential partners in this project would be granted the management of units 5 and 6 too. The candidate companies would be required to provide 500 million euros of

bank deposit. If EU approves the restart, Bulgaria will return compensation funds, Bulgarian officials said.

In the last year, Macedonia, Serbia, Albania and Croatia asked EU to allow Bulgaria to restart units in order to avoid electricity shortages in the region.

§ § §

NEK and AtomStroyExport signed the contract for construction of NPP Belene (Bulgaria)

On January 18 in Sofia, National electric company (NEK) and Russian company AtomStroyExport signed the engineering, procurement and construction (EPC) contract for construction and commissioning of units 1 and 2 (1,000 MW each) in nuclear power plant (NPP) Belene.

The contract was signed by Lubomir Velkov, CEO of NEK, and by Sergey Shmatko, president of AtomStroyExport. The worth of the contract is 3.997 billion euros, while the cost of the entire project should reach 6 to 7 billion euros.

The main AtomStroyExport's subcontracts will be Areva and Siemens. As a reminder, AtomStroyExport was selected through tender procedure in October 2006. The procedure was in accordance to Public procurement law.

The Russian company should install AES-92 type of nuclear reactors in the NPP. The technology, which has combination of active and passive safety and security systems, was approved by EU in December 2007.

The contract was signed in the presence of Russian president Vladimir Putin. During the visit, two countries signed several other cooperation contracts, where the most important were contract for NPP Belene, contract for construction of South stream natural gas pipeline and the contract for establishment project company for construction of Alexandropoulos –Bourgas oil pipeline

Putin said that Russia is ready to fund the construction of NPP Belene and offered 3.8 billion euros loan to Bulgaria. This was said after the meeting of Putin and Bulgarian president Georgi Parvanov.

The head of Russian nuclear agency (Rosatom), Sergey Kirienko, who accompanied Putin, said that AtomStroyExport expects to build two more units in NPP Belene in the future.

The construction of the units should start in the second half of the year, and the two units should be operational in 2014 and 2015. The strategic partner should be selected by mid 2008 and it should acquire 49 % stake in the project. The shortlisted bidders in the tender for strategic partner are CEZ, E.ON, RWE, Electrabel and Enel.

In the same time, the NEK should be obliged to select the bank that will provide the loans for the project.

§ § §

Bulgaria joined South stream project (Bulgaria)

On January 18 in Sofia, Bulgarian government and Russian Gazprom signed the contract for construction of part of South stream pipeline across Bulgaria.

Bulgarian government approved the contract on the extraordinary session that was held the same day the contract was signed. Prime minister Sergey Stanishev said that Bulgaria managed to protect its interests after the successful negotiations. According to sources, both parties wanted to have majority control of the pipeline, but they decided to make compromise solution in the last moment.

According to contract, Bulgaria and Gazprom will own equal shares in the future pipeline on the territory of Bulgaria. Also, Bulgaria managed to increase the annual capacity of the pipeline up to 30 billion cubic meters. Original proposal of Russia was 17 billion cubic meters. The agreement was signed for period of 30-years, with five years extension options. Overall cost of the project in Bulgaria is estimated at 1.4 billion dollars.

The South stream project is started by Gazprom and Italian ENI. The project is aimed to enable transport of natural gas from Russia toward Western Europe across Southern and Central Europe. The overall cost of the project is estimated at 10 billion euros.

The future pipeline should pass under the Black Sea to Bulgaria, after which the pipeline will be split in two directions (the exact route is to be defined), and the final destination will be in Italy.

After signing the agreement, European commission (EC) said it has no objections to the South stream project. In the same time, EC pointed out that Nabucco pipeline project will remain EU's priority. This was said by Ferran Tarradellas, spokesman for European energy commissioner Andris Piebalgs.

Tarradellas explain that Nabucco project would both diversify natural gas routes and natural gas sources. EU official hopes that Bulgaria would not oppose the Nabucco project, which is considered as rival pipeline to South stream.

Shortly after, the government of Bulgaria confirmed its commitment to Nabucco project. Bulgarian state gas company Bulgargaz is the member of Nabucco Pipeline International Ltd, the project company in charge for construction of the pipeline.

Prime minister Stanishev denied claims that Bulgaria's decision to join South stream is aimed to undermine EU plans and to help Russian interests. Stanishev said that cooperation agreement with Russia did not change Bulgaria's policy and that Bulgaria has great interest for Nabucco project.

§ § §

E.ON to invest in wind farms (Bulgaria)

Chairman of the management board of E.ON Bulgaria, Manfred Paasch, announced company's plans for investments in wind farms. The three pilot projects should be launched in 2009.

The initial project should be related to construction of small wind farms with power output between 5 to 8 MW. The main aim of E.ON is to build large wind farms with power output between 100 and 150 MW. The Paasch did not reveal the exact location of the farms.

E.ON owns majority stakes in electricity distributors in Varna and Gorna Oryahovitsa. The head of E.ON Bulgaria announced that electricity prices could be increased starting from July 1, yet the final calculations still needs to be done.

In 2007, the company invested 21 million euros, while investment in this year should reach 25.5 million euros. Out of that amount, 15 million euros will be invested for upgrade of transmission network.

§ § §

TPP Bobov Dol demanded that unit 2 should become cold reserve capacity (Bulgaria)

The management of thermal power plant (TPP) Bobov Dol asked from State Energy and Water Regulatory Commission (SEWRC) that unit 2 (210 MW), which was shutdown in the end of the last year due to environmental reasons, should not be decommissioned but preserved as cold reserve capacity.

The official from the TPP, Bogomil Stoilov said that decommissioning of the unit would affect stability of electricity system.

Before reaching the final decision, SEWRC should consult the ministry of energy. The head of SEWRC, Konstatin Shushulov, said that the government could decide that unit 2 becomes cold reserve capacity.

TPP Bobov Dol is intended to be privatized, so that projects for construction of three new 200 MW units were put on hold until the end of privatization procedure

In the related news, TPP Maritsa Iztok set the deadline to Japanese Mitsui until July this year to finish the installation of sulfur removal equipment on unit 1 and 2.

§ § §

350 million euros for upgrade of oil refinery in Rijeka (Croatia)

After the local municipality issued the approval for modernization of oil refinery in Rijeka, the Croatian oil industry (INA) fulfilled the last condition for the start of the project. INA should invest 350 million euros in the project, by which the refinery would be able to produce fuel in accordance to Euro 5 standard.

INA believes that construction license for hydro desulphurization and hydrocracking facilities should be acquired by the end of August. The construction works will be carried out by ABB Lummus, with which INA signed the contract in the end of the last year. The cost of the construction will be 169 million euros, while the facilities should be built by the end of 2010.

In the same time, INA hired Italian company Technip KTI to build new oxygen production unit. The cost of the construction is 81 million euros, while this project should be completed by 2010 too.

By completing aforementioned projects, the first phase of modernization of the refinery would be finished and processing capacity of the refinery would be increased at 4.5 million tons per year.

During the second phase of modernization of Rijeka refinery, INA should solve problems related to the waste management. The final decision on the technology to be used was not reached yet.

§ § §

TPP Plomin to continue to run on coal (Croatia)

Despite the demands of Istra County and the fact that regional pipeline Pula-Karlovac was put in service in the last year, the Croatian power utility (HEP) most likely would not switch coal fired thermal power plant (TPP) Plomin into the gas fired plant.

HEP believes that this would be in line to European policy of diversification of energy sources. According to Croatian experts, coal based electricity production in Europe reaches 35 % of overall electricity production, while this ratio is only 7 to 10 % in Croatia.

TPP Plomin is the only coal-fired plant in Croatia. HEP wants to increase plant's power output and to implement the latest technologies in order to reduce CO2 emissions. Despite the fact that Croatia opened new gas fields in Adriatic, the natural gas is still considered as scarce energy source both in Croatia and in entire Europe, which would be another reason for not changing the fuel source in TPP Plomin, HEP believes.

The initial plans of HEP envisaged construction of new 400 MW unit at the site of TPP Plomin, which has overall power output of 330 MW at the moment. According to sources, HEP could change this plans and build replacement capacity for unit 1 with the power output of 500 MW, by which overall power output of the plant would be 700 MW.

According to Croatian press, sources from HEP suggested that general design for replacement capacity and environmental study could be prepared by mid 2008.

In order to implement this project, HEP should demand from the government to remove the Bylaw which restricted construction of coal fired TPPs in Croatia until 2020. It is expected that construction works could start in 2009 and it should be finished by 2015.

§ § §

Decision on LNG terminal in 2008 (Croatia)

Final decision for the start of construction of liquefied natural gas terminal (LNG) in Croatia should be reached by the end of 2008. This information was confirmed by the sources from Croatia and Reuters published the news. According to original plans, the LNG should be put in service in 2011 or in 2012.

According to sources, Croatian companies Croatian power utility (HEP), Croatian oil industry (INA) and Plinacro should become formal members of Adria LNG consortium, which should have taken place in the last year. Croatian companies should control 25 % stake in the project.

The exact location of the terminal was not determined yet, while the studies showed that island of Krk would be the most suitable site. On the other hand, the project could face problems due to environmental reasons and due to strong protests of Croatian environmentalist organizations.

Adria LNG company, with head office in Zagreb, was established in October last year. The company was founded by OMV, and the members are E.ON Ruhrgas, Total, RWE Transgas and Geoplin from Slovenia. The company took over the activities that had been conducted by project company Adria LNG Study Company and it should prepare detailed plans and phases of construction LNG terminal.

At the time, the fact that HEP, INA and Plinacro did not become the members of the company, created considerable confusion in

Croatia. In the past, Croatia and foreign investors argued over the stake in the project. In the same time, Croatian officials claimed that LNG terminal would not be built without Croatian companies.

The future LNG terminal should have initial capacity of 10 bcm (it should be increased at 15 bcm) and it should be capable to unload tankers with 265,000 cubic meters of capacity.

§ § §

Janaf to invest up to 55 million euros in 2008 (Croatia)

Adriatic pipeline (Janaf) announced to invest between 50 and 55 million euros in 2008, which would be more than overall sum invested in two previous years.

In a press conference, the management of Janaf said that the funds would be mostly invested in environmental and modernization projects.

In period 2006-2012, Janaf development programs are designed to comply with EU energy policy and strategy of economic development of Croatia. The company is interested in projects for storage of oil and oil derivatives for EU countries, as well as for PEOP oil project and Druzba Adria project.

The management of Janaf confirmed that several oil companies in the region had expressed interests for usage of Janaf capacities. In fact, they believe that Janaf could become one of the strategic oil pipelines not only for Central and South Europe, but also for entire Europe.

Janaf company has 610 km long pipeline network. The company is also involved in storage of oil (900,000 m³ capacity) and oil derivatives (60,000 m³ capacity).

§ § §

PPC considering a breakup in 6 subsidiaries (Greece)

Public Power Corporation (PPC) is considering a possibility of a breakup in 6 subsidiary companies. This idea has been considered earlier, but never realized.

Unofficially, the breakup of the company, if proceeds, will be into two phases. In the first phase two subsidiaries will be created, controlling the high voltage networks and the networks of middle and low voltage respectively.

During a second phase, 4 more subsidiaries will be created. These subsidiaries will control production activities, market operator, lignite mines and a trading company active in buying and selling fuel.

§ § §

New proposals to PPC (Greece)

After proposals to PPC from RWE, "Halyvourgiki SA" and "Endesa Hellas", Italian "Edison Hellas" (part of "Edison") considers to submit proposal for cooperation with PCC. Proposal is regarding a construction of two new power plants. Parent company, Edison, has submitted similar proposal to PPC three years ago. The proposal that Edison tabled three years ago provided for the joint construction of coal plants in Greece, the participation of PPC in Edison's plants in Italy

and the participation of Edison Hellas in renovating and operating 30 percent of PPC's old units.

Currently, there are no additional details regarding planned power plants, or other parts of "Edison Hellas" offer to PPC.

Endesa Hellas has also submitted to PPC a proposal. According to the proposal, Endesa Hellas is going to acquire old lignite units as well as the repowering with new combined cycle units. In addition the company offered to develop a new coal unit in Agios Nikolas Crete, which is included in Endesa Hellas business plan.

In the natural gas sector, Endesa Hellas proposal includes the construction of a Joint Venture company that will construct a Liquid Natural Gas station and will also provide with LNG. The proposal also includes that no employees are to be fired after the deal.

Endesa Hellas is currently realizing project for construction of natural gas power plant, Volos. This new unit will have a 445 MW capacity and it will belong to "General Electric". Annual production is expected to be more than 2530 MWh, and the annual consumption will be 450 million cubic meters of natural gas. It will be located in Dimini, close to Volos, in a Mytilineos owned location.

§ § §

Joint venture between Edison and DEPA regarding ITGI project (Greece)

Greek natural gas company (DEPA) and Italian "Edison group" have set up a joint venture to build a pipeline, connecting Azerbaijan and Italy, with a capacity of 8 billion cubic meters of gas. This undersea pipeline will connect Greece and Italy, and it will be 206 kilometers long. This is a part of ITGI project, a plan to transport Azerbaijan gas via Turkey and Greece to Italy.

Edison and DEPA, which under the project have exclusive rights for gas transport for 25 years, plan to boost the pipeline capacity and eventually open it up for third parties.

Problems with CO₂ emissions and energy efficiency (Greece)

United Nations compliance committee for the Kyoto Protocol will review Greek CO₂ emissions in February.

"Our country is the only one (in the EU) to have been indicted to the UN's compliance committee and this has very serious repercussions for Greece and for the EU," European Environment Commissioner Stavros Dimas said. He questioned forecasts by Greek authorities, according to which CO₂ emissions will be lowered by 16.6 percent by 2012, saying that authorities had only reached the 6 percent mark so far.

Greece is also the first EU country to be condemned by the European Court of Justice for failing to adopt a directive regarding the energy performance of newly constructed building, from 2002. The verdict has been delivered on 15th of January. Greece has been warned by EU regarding this problem in September 2007.

In 2005, EU provided Greece with a two years deadline to implement a directive, which includes bioclimatic architecture and using environmentally-friendly building materials.

According to the official statistics provided by Eurostat, the average Greek household consumes 22.6 kWh of energy per square meter for heating on an annual basis, while, for example, Danish households consume 13.6 kWh, Dutch 20 kWh and German 21 kWh.

Consumers in cheaper buildings have to pay 80% more on heating comparing to consumers in more expensive buildings with energy saving features. Buildings that are over 20 years old mostly do not have double glazed windows and proper insulations, since that could raise construction cost. Also, according to experts, these cheap and especially old buildings are also emitting higher amounts of CO₂.

According to surveys, use of bioclimatic design and passive solar systems reduces building heating loads by about 30 percent compared to conventional, newly built residential buildings. Compared to older, uninsulated buildings, the energy savings of bioclimatic buildings may be as high as 80 percent.

§ § §

Coal export ban until June 30 (Macedonia)

Government of Macedonia decided to impose coal export ban until June 30. The officials did not want to say whether the ban was related to the reduction in coal reserves in thermal power plants (TPPs) Bitola and Oslomej

In the same time, the spokesperson of the government, Ivica Bocevski, announced that Macedonian power plants (ELEM) would publish a tender for import of coal (on annual basis) for TPP Bitola and TPP Oslomej.

ELEM plans to provide 200,000 tons or 1,000 tons per day for TPP Oslomej and 400,000 tons or 2,000 tons per day for TPP Bitola.

Government claims that Macedonia has sufficient reserves of coal, where the publishing of the tender was explained with the increase in electricity consumption, both by households and industrial customers. In the same time, the government believes that import of coal would contribute energy stability in the country, having in mind political situation related to Kosovo province.

According to Macedonian media, TPP Oslomej was in great danger of stopping the electricity production, especially in case of bad weather conditions. In mid January, the coal reserves were sufficient for only two days of operations of the TPP. In the same time, newly opened pit mine Oslomej West could not provide sufficient amount of coal at the time. Estimated coal reserves in the coalmine are some 14 million tons, but the coal production was behind the schedule due to low overburden removal caused by the delays in dislocation of Temnica River. As a reminder, due to lack of coal, TPP Oslomej was out of service for six months in 2007. According to plans, TPP Oslomej should produce some 600 GWh of electricity per year.

§ § §

11.8 % increase in natural gas prices (Macedonia)

In the second half of January, Regulatory energy commission (REC) approved 11.8 % increase in natural gas prices at the request of the natural gas distributor, Makpetrol.

The price of natural gas in the first quarter of 2008 is set at 355 euros/1,000 cubic meters, comparing to previous price of 317.3 euros/1,000 cubic meters.

Makpetrol, which imports natural gas from Russian Gazprom, said that increase in prices was the consequence of higher prices imposed by Gazprom, but also of the increase in fuel oil prices, diesel prices and appreciation of US dollar.

REC confirmed that natural gas prices would be adjusted quarterly in accordance to supply contract between Makpetrol and Gazprom.

§ § §

300 MW gas fired CCGT plant to be built in Skopje (Macedonia)

Vice prime minister, Zoran Stavrevski, confirmed that natural gas fired CCGT plant, with output of 300 MW, would be built in Skopje. Stavrevski said that future plant would produce 2 TWh of electricity per year or some one third of current overall electricity production in the country. In the same time, CCGT unit should provide 500 GWh of heat energy per year. Vice prime minister believes that new plant would considerably strengthen country's energy stability.

By this announcement, the government has revived an old idea for construction of gas-fired plant in Skopje. Stavrevski said in a press conference that this was one of the strategic decisions of the government in order to develop the energy sector in long-term.

According to plans, 51 % of the funds for the project should be provided by the government of Macedonia. The rest should be provided by strategic investors, which should be selected in the international tender. The tender should be published in mid February, while the deadline for building the plant would be set at 30 months.

The future strategic partners should invest minimum 15 % of the funds for the project, while the Macedonian power plants (ELEM) should control 15 % stake in the project. The government of Macedonia should invest existing assets in former Steel factory, where the plant should be built, while the part of the funds for the project would be invested in cash. The cost of the project is estimated at 220-250 million euros.

The future company would be obliged offer electricity to the state at the market prices, while the state would have the right to decide whether to purchase electricity or not.

Apart from abovementioned CCGT unit, the Skopje heating company, in cooperation with strategic partner, also plans to build natural gas fired CCGT plant in Skopje.

§ § §

Government offered electricity during night for large customers (Macedonia)

The government of Macedonia made its last offer to the large industrial customers by offering to deliver electricity during night hours at the price of 29.6 euros/MWh. During the meeting with the representatives of Silmak, Usje and Feni (the only companies that initially accepted government offer for purchase of electricity surpluses at new, market prices), the vice prime minister Zoran Stavrevski said this offer would refer to period March 1-December 31, 2008. During

that period, the government offered to deliver 35 MWh/h to large customers.

Stavrevski confirmed that Usje and Feni are ready to sign the contract, while Silmak still needs to reconsider the proposal. Silmak needs 30 MWh/h during night, while the government could offer 25 MWh/h to Silmak. The rest should be purchased by Feni and Usje. Government said that Feni would most likely continue to purchase electricity during whole day at the price of 79 euros/MWh. In the same time, Silmak needs to decide how it would provide missing electricity during day.

As a reminder, starting from January 1, 2008, Macedonia's transmission system operator (MEPSO) was not obliged anymore to deliver missing electricity to large industrial customers (there are nine of such companies). In order to help those customers, government initially offered to deliver 1.25 TWh of electricity per year at the price of 75 euros/MWh. The majority of industrial customers complained on high prices and inflexibility in supply.

In the related news, vice prime minister said that government was preparing for the potential emergency in case if Serbia decided to impose electricity embargo to Kosovo province in case of declaration of independence. On the other hand, Stavrevski said there were no embargo announcements so far. He said that thermal power plant (TPP) Negotino would be started in case of emergency.

§ § §

EFT won in a tender for import of electricity in 2008 (Macedonia)

The public procurement commission of Macedonia's transmission system operator (MEPSO) selected the bid of EFT as the best in the latest tender for import of electricity in 2008. The commission found the EFT's bid was the most favorable in all months.

The bids in the tender, which was published in October last year, were also submitted by GEN-I, ATEL and Pima.

EFT should deliver overall amount of 587.225 GWh of electricity (the amount requested by MEPSO) at the price of 63 million euros. The overall amount to be paid would be three times lower comparing to the last year.

Out of the amount, 534.055 GWh (92.4 %) will be delivered during day, while 44.2 GWh would be delivered during night (7.6 %).

The electricity import will reach 115.785 GWh in January, 74.53 GWh in February, 19.065 GWh in May, 33.75 GWh in June, 60.605 GWh in July, 63.24 GWh in August, 30.6 GWh in September, 20.4 GWh in October, 33.15 GWh in November, and finally 127.1 GWh in December. In March and April, the electricity import will be zero.

This was the first time that only one company was awarded a supply contract for the entire requested amount of electricity. MEPSO did not publish the price of electricity offered by other participants in the tender, which was demanded by the bidders.

According to tender terms, the highest amount of tender points earned the offered price (80 points), than terms of delivery (15 points) and the terms of payment (5 points).

MEPSO should publish import contract at its official website (www.mepso.com.mk), which would be in line with Public procurement law. All documents related to tender procedure have been submitted to Regulatory energy commission (REC), the economy ministry, the finance ministry and to vice prime minister Zoran Stavrevski.

§ § §

Changes in Energy law (Macedonia)

According to the sources from Brussels, the government of Macedonia would be obliged to change some articles in proposal of new Energy law. The law was earlier criticized by European commission (EC), which said the law would impose monopoly of Macedonian power plants (ELEM).

The delegation of the government of Macedonia, led by vice prime minister Zoran Stavrevski, visited Brussels in order to explain and defend new Energy law.

Kristina Nadji, the spokeswoman of EU enlargement commissioner, Olli Rehn, said after the meeting that law should be changed through amendments in accordance to EU directives. Nadji said that EU offered its help to Macedonia regarding this issue.

This statement was considered as a clear sign that EU would not approve the original Law. According to unofficial sources, EU believes that ELEM should not be given a monopoly in electricity production and supply.

In the same time, Stavrevski said after the meeting that EC accepted the latest changes and amendments of Energy law. According to him, EC only objected the issue of electricity supply. Vice prime minister, said that EU and Macedonia agreed that electricity distributor ESM-EVN and ELEM should sign bilateral agreement for supply of tariff customers.

According to Stavrevski, EC had agreed that electricity losses in distribution network, higher than 11 %, would be paid according to government's proposal, i.e. at market prices. The government should only change the articles related to electricity supply, vice prime minister said.

The spokesperson of the government of Macedonia, Ivica Bocevski, said that the statements of vice prime minister Stavrevski and Kristina Nadji were not opposite. According to Bocevski, Stavrevski said that two sides agreed on the issues related to industrial customers. The issues related to commercial losses and timetables for liberalization of electricity market were also harmonized by Macedonia and EU, Bocevski said.

Some media in Macedonia claim that EU abandoned its original request for slowing down the liberalization of electricity sector. Two sides also agreed on the timetable for liberalization of electricity sector. Stavrevski said that EC accepted period from 2008 until 2015 for completing the market liberalization.

According to Macedonian media, EVN was lobbying in Brussels, saying they have great electricity losses due to inadequate electricity system. ESM-EVN also reacted to the statement of Stavrevski who recently said that the state would not cover their losses. The management of electricity distributor responded that the state did not pay companies losses in past.

§ § §

Regulator approved new coal prices (Montenegro)

Regulatory energy agency (REA) decided that new price of coal delivered by the coalmine Pljevlja to the thermal power plant (TPP) Pljevlja would be 25.65 euros/ton, which is 17.1 % higher comparing to the old price.

The board of directors of the coalmine recently submitted a request to the REA in which it demanded increase in coal prices up to 33.26 euros/ton.

REA explained that new price was set in accordance to planned coal consumption of TPP Pljevlja in 2008 (set by Energy balance sheet of Montenegro), the amount of coal to be sold to other customers and regulated income, which was set at 40.5 million euros for 2008. In the same time, REA said that sale price would vary depending on calorific value of delivered coal and the level of overburden removal.

New price will be effective starting from January 1 until July 8 this year, when the government of Montenegro should decide whether the coal prices would be set by REA or it would be market based.

Director of the coalmine, Vuk Rocen, said that new price was unacceptable for the company. Without approving the price of 33.26 euros/ton and without granting additional amount of 3 million euros for investments in this year, the coalmine would not be able to produce planned amount of 1.47 million tons of coal for the TPP, Rocen warned.

The officials from the coalmine believe that new coal price for customers different from TPP Pljevlja should be 50.09 euros/ton. They also demanded from REA to approve 6.75 million euros for the return of investments. According to plans, the coalmine should deliver 1.47 million tons of coal for TPP and another 50,000 tons to other customers.

§ § §

Statkraft confirmed interest for construction of HPPs (Montenegro)

Norwegian Statkraft confirmed its interest for construction of hydro-power plants (HPPs) in Montenegro, where the HPPs on Moraca River are considered as the most interesting. This was said by Statkraft's officials during the talks with Montenegro's political and economic delegation that visited Oslo in mid January. The delegation was led by minister of economic development Branimir Gvozdenovic.

Statkraft is also interested for privatization or recapitalization of Power utility of Montenegro (EPCG). Norwegians pointed out that Montenegro is their main country of interest in Southeastern Europe.

Gvozdenovic had talks with deputy oil and gas minister of Norway. Two parties expressed interest for continuation of reforms in energy sector, which includes energy efficiency projects, oil and gas projects, and transfer of knowledge and experience through various projects.

Montenegro's officials also visited Nordpool, the largest power exchange in Scandinavia.

§ § §

HSE to lead consortium for construction of power plants (Montenegro)

The largest Slovenian power companies, Holding of Slovenian power plants (HSE), Petrol and Iskra Invest should set up the consortium that should take part in construction of large power plants in Mon-

tenegro. The power plants should be built through private public partnership (PPP), local newspaper said.

HSE, with over 5,000 employees, operates several hydropower plants (HPPs), thermal power plants (TPPs) and nuclear power plant (NPP) Krsko. HSE took part in the tender for privatization of TPP Pljevlja and it was the second ranked bidder in the cancelled tender.

Iskra is the leading Slovenian producer of electronic equipment, and its subsidiary Iskra Invest is involved in electricity distribution and trade.

Petrol is the largest Slovenian oil company and, in the last year, it established joint venture with Montenegro's state oil company Montenegrobonus. Petrol expressed interest for construction of HPP Buk Bijela.

§ § §

EPCG interested for construction of new unit in TPP Pljevlja (Montenegro)

Chairman of the management board of Power utility of Montenegro (EPCG), Radomir Milovic, confirmed that the company has been reconsidering to sign the agreement with CEZ for construction of second unit in thermal power plant (TPP) Pljevlja. The unit should have power output between 200 and 250 MW, while annual production should reach 1.3 TWh. This would be the easiest and the fastest way for Montenegro to build new source of electricity, high official said.

In this moment, EPCG has been preparing tender procedure for selection of strategic partner in this project, where the most likely model should be establishment of joint venture. In that case, EPCG should invest existing unit and the equipment that will be used by future unit 2, which should be built on the site of existing TPP.

In the same time, the state would grant concession approvals for construction of the unit, while the future strategic partner would be obliged to provide funds for the project.

According to estimations, the cost of the project should reach 175 million euros. Additional amount of 40-45 million euros should be invested for upgrade of existing infrastructure, namely coal depot, environmental projects and for reconstruction and revitalization of the facilities of the existing unit. The existing 200 MW unit has been in operation for the last 25 years, where its lifespan could be extended for another 15-20 year, which would imply considerable investments, Milovic concluded.

§ § §

Nuclearelectrica to invest 128 million euros in 2008 (Romania)

Nuclearelectrica, the operator of nuclear power plant (NPP) Cernavoda, announced it would invest some 128 million euros for the upgrade and renewal projects in 2008.

The funds will be also used for acquiring the heavy water for the future units 3 and 4, the construction of which should start in 2009.

Nuclearelectrica plans to produce 10.1 TWh of electricity in this year, which should account for 17-18 % of overall electricity production in the country.

In the same time, Nuclearelectrica announced it would list shares on Bucharest Stock Exchange, where the first activities in this direction should be made during February. The company should list 10 % of its share capital through IPO procedures by the end of 2008.

In 2007, the estimated turnover of Nuclearelectrica reached some 263 million euros, which would be 35 % higher comparing 2006. In 2008, the company plans to report 300 million euros of turnover.

§ § §

Transgaz and MOL signed the contract for natural gas pipeline (Romania)

On January 22, Romania's natural gas transport company, Transgaz, and Hungarian MOL signed the Memorandum for finishing the construction of interconnection gas pipeline Arad (Romania)-Szeged (Hungary). The pipeline will have overall length of 61.7 km and it should be completed in 2009.

§ § §

Hidroelectrica plans to list 5-10 % of shares (Romania)

Romania's largest electricity producer, Hidroelectrica, expects to earn some 200-300 million euros after listing 5 -10 % shares on the Bucharest stock exchange. This was said by general manager of Hidroelectrica, Traian Oprea. The funds should be used for modernization of existing and construction of new power plants.

In the same time, the company plans to issue some 150-200 million euros worth bonds on foreign capital markets, with five-year maturity. Oprea believes that, having in mind recent disturbances on international financial markets, the bond issue could be more profitable than acquiring the loans.

In 2008, overall investments of the company should reach 300 million euros, out of which 200 million euros will be company's funds.

§ § §

Petrom launched tender for purchase of 1.15 TWh of electricity (Romania)

According to sources, the largest oil company in Romania, Petrom, allocated 80 million euros for purchase of 1.15 TWh of electricity this year. Petrom plans to achieve the best price for its oil refineries and oil fields.

Petrom launched tender for selection of electricity supplier, where the bids should have been submitted by January 28. The contract should be signed for period of two years.

The sources said that annual contract between Petrom and its current supplier, Energy Holding, is 90 million euros worth.

§ § §

EU demanded harmonization of natural gas prices (Romania)

Officials from European commission (EC) requested from Romania to meet its obligations regarding the harmonization of domestic natural gas prices to the prices on EU internal market. This obligation was stipulated during the accession negotiations.

According to EU officials, the increase in natural gas price should reach even 70 %, up to 300 dollars/1,000 cubic meters. The price adjustment should be done gradually and it should be finished by the end of the year.

If the prices were not harmonized, EC would consider current natural gas prices in Romania as a state aid. Ferran Tarradellas, spokesperson for EU Energy Commissioner, Andris Piebalgs repeated that Romania must comply with the EU treaty. He said that Romania could not make any exceptions due to fact that the country is natural gas producer. Tarradellas explained that state could grant subsidies for low-income customers, if this was approved by EU.

On other hand, Romanian officials believe that current domestic natural gas prices are cost reflective, where the prices are set by the national energy regulator. Officials from ministry of economy and finance said that Romania respected its obligations made during EU accession negotiations having in mind that current tariffs cover operating, financial, development and environmental costs

In the beginning of year, the price of domestic natural gas in Romania was some 180 dollars/1,000 cubic meters, while the price of imported natural stood at 370 dollars/1,000 cubic meters.

Romania's average annual gas consumption is some 17 billion cubic meters, where 62 % of the amount was covered from domestic sources. Petrom and Romgaz supply some 99 % of the market in Romania.

§ § §

8.5 % increase in natural gas price (Romania)

Starting from February 1, natural gas price for households will be increased by 8.5 %. This was confirmed by Romania's Energy Regulatory Authority (ANRE). In the same time, the price of domestically produced natural gas increased by 5 % up to 195 dollars/1,000 cubic meters.

ANRE said that the increase was approved in order to adjust natural gas tariffs to the higher prices of imported natural gas.

After the increase, the customers of Distrigaz Sud will pay 390 dollars/1,000 cubic meters, while the customers of E.ON Gaz Romania will pay 387 dollars/1,000 cubic meters. The Distrigaz Sud and E.ON Gaz Romania are the largest natural gas distributors in the country.

In the same time, minister of economy and finance, Varujan Vosganian, announced that the state should increase subsidies to low income citizens due to latest increase in natural gas prices. Some 1 million of households should be eligible for subsidies, the minister said.

§ § §

Electrabel to invest billions in energy projects (Romania)

Belgian power company Electrabel announced it had allocated billions of euros for investments in energy production projects in Romania. This was confirmed by the representative of Electrabel in Romania, Sorin Patrascoiu

Electricity

Patrascoiu said the company is interested in electricity trading and production of electricity in nuclear, thermal, hydro and wind power plants.

Electrabel earlier announced plans for construction of 800 MW power plant in Constanta. The cost of this project is estimated between 1 to 1.2 billion euros. In the same time, Belgian company is one of the potential strategic partners for construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda. The company also has plans for construction of new thermal power plants (TPPs) in cooperation with Termoelectrica.

§ § §

MOL increased natural gas transmission fees (Serbia)

Serbian and Croatian media reported that Hungarian MOL has increased the natural gas transmission fee for the additional deliveries from Russia to Serbia. The new price would be 20 % higher, after which the new price of natural gas will be 402.5 dollars/1,000 m³. The new prices are related to delivery of additional 10 million cubic meters of natural gas per day, which will be imported during winter season.

The move of MOL, by some sources, is considered as certain warning to Serbia having in mind announcements for construction of South stream pipeline across Serbia. It is also believed that new fee is the MOL's way to express dissatisfaction after Serbian natural gas company did not respond to MOL's recent proposal for establishment of regional natural gas transmission company. On the other hand, the only reason for increase in transmission fees could be the increase in prices imposed by Gazprom, sources said.

Commenting the news, MOL explained that transmission fee for transit of natural gas to Serbia was charged in accordance to the long-term supply contract signed by MOL and Serbian gas company, Srbijagas. The transmission fee is not fixed and it is related to the price of natural gas on international markets, MOL said.

In the second half of January, the transmission fee was estimated at 30 dollars/1,000 cubic meters, MOL said. The final fee will depend on the amount of natural gas that will be delivered to Serbia in 2008.

According to MOL, Hungarian company is not acquainted with the price of natural gas paid by Srbijagas to Gazprom. Srbijagas also did not want to confirm whether the Gazprom increased price of natural gas.

If Srbijagas pays transmission fee of 30 dollars/1,000 cubic meters to MOL, it means that monthly fee reaches some 9 million euros during winter season.

§ § §

Alltech presented project for construction of biofuel factory in Senta (Serbia)

International biotechnological company Alltech presented the project for construction of bioethanol factory in Senta.

During the meeting with president of government of Vojvodina province, Bojan Kostres and minister of environment of Serbia, Sasa Dragin, the president of Alltech, Pearse Lyons, said that 70 % of bioethanol should be produced from corn, while the rest would be produced from cellulose.

The press release, issued after the meeting, said that this would be new technology for production of bioethanol. The future factory in Senta, where Alltech has been active through Alltech Fermin in the last six years, would be the first of a kind factory in Europe.

Lyons said that Serbia is rich with cereals and fertile land, and that construction of new factory would boost technological development and it would revitalize entire agricultural sector. The minister Dragin supported the project and announced that state could grant subsidies for similar projects.

Alltech's officials confirmed that company is involved in new technologies for bioethanol production. In February this year, the company will put in operation the new factory in Kentucky, where the bioethanol would be produced from cellulose. The head office of Alltech is in Lexington, Kentucky. The company has been active in 76 countries.

In the related news, US company AFE from Denver should open its office in Zrenjanin in order to study the option for construction of bioethanol factory in the area. The biofuel should be produced from corn.

The project coordinator, Nikola Neskovic, said after the meeting with leading corn producers in the region that US company is highly interested for investments in Zrenjanin, after the agreement between US-Hungarian consortium Biotech energy and local municipality was canceled. The contract was signed back in September 2006, where Biotech energy was obliged to build refinery for production of bioethanol from wheat and corn. The Biotech planned to invest 380 million euros in the project.

§ § §

Start of installation of new coal transport system in Drmno coalmine (Serbia)

In the end of January, Power utility of Serbia (EPS) started installation of new 8 km long coal transport system and depositor (type ARS 8500) in open pit mine Drmno.

The overall worth of the project is 44 million euros, i.e. 31 million euros for transport system and 13 million euros for the depositor. The depositor will be delivered by Krupp.

Installation of new system is the part of larger 65 million euros worth project for construction of new BTO system (excavator-transporter-depositor), which is aimed to increase annual production in Drmno coalmine from 6.5 up to 9 million tons of coal per year. The project was funded from EPS's own sources.

The project was started in July last year, when the new coal excavator, type SRS 2000, was installed. The entire project should be completed in December this year, while the new BTO system should be

operational in 2009. The coalmine Drmno provides coal for thermal power plants (TPPs) Kostolac A and B.

§ § §

Agreement for cooperation in oil and natural gas sector signed with Russia (Serbia)

On January 25 in Moscow, Russia and Serbia signed the agreement for cooperation in oil and natural gas sector. The agreement was signed a month after Russia offered cooperation to Serbia.

The agreement was signed by Serbian minister of infrastructure, Velimir Ilic and Russian minister of industry and energy Viktor Hristenko. The signing of the agreement was attended by Russian president Vladimir Putin, Serbian president Boris Tadic and Serbian prime minister Vojislav Kostunica. The overall worth of the project was not defined in the agreement, but the estimations on worth stand at 2 billion euros.

According to agreement, Russian oil and gas company Gazprom should purchase 51 % of Oil industry of Serbia (NIS) for minimum of 400 million euros, while another 500 million euros should be invested by 2012.

The final agreement for sale of NIS should be signed as soon as possible and not later than the end of the year. The formal owner of NIS will be Gazprom's subsidiary Gazpromneft.

Russian analysts believe that Serbia should try to increase sale price for NIS, where Gazprom could accept the price of 700 million euros. In the same time, the government of Serbia was obliged to preserve privileges in oil market for NIS in period of at least two years.

In the same time, Gazprom should build the natural gas pipeline across Serbia, where its minimum annual capacity should be 10 billion cubic meters of natural gas. The pipeline should be part of South stream project. The part of the agreement related to construction of natural gas pipeline was signed for period of 30 years, where the agreement will be automatically prolonged by five years if neither one of the parties filed an objection nine months before the expiration of the contract.

The agreement also envisaged the construction of underground natural gas storage facility in Banatski Dvor. Russian partners will own 51 % of the facility, where they would build and operate the facility. The local companies will have privileged right to take part in the project, while the state of Serbia should provide tax and customs relieves. Storage facility should have capacity of at least 300 million cubic meters, while daily flow should be at least 1.6 million cubic meters. The final details should be set after detailed analyses.

After signing the agreement, the government of Serbia published integral version of the agreement on its website. The agreement will be foundation of future cooperation, while the final price for NIS, the details regarding the construction of the pipeline (capacity, funds, who will build it) should be subject of future negotiations.

The usage of the future pipeline and storage facility was granted to Russians, while the price of the services, transport and storage of natural gas would be set by future companies.

The agreement did not clarify the model for distribution of transit revenues and the deadlines for construction of the pipeline and the storage facility.

President Putin believes that the agreement was vital for strengthening cooperation between Russia and Serbia, where the agreement marked the start of strategic partnership in energy sector between two countries. Serbia should become one of the key energy transit routes for supplying of Southern Europe, Putin pointed out. The agreement will provide energy stability for both Serbia and Europe, where Russia will be reliable friend and partner to Serbia, Putin concluded.

President Tadic says that agreement will bring safe energy supply for Serbia, where the country will gain strategic position as a transit country for Russian supplies toward the rest of the Europe.

Minister Ilic believes that signing the agreement was good strategic move for Serbia. Serbia would have another natural gas supply route, while transit revenue should reach 200 million euros per year, Ilic said. He reminded that Serbia in this moment pays 100 million euros per year to Hungarian MOL only for transit services. Minister said that large part of construction works should be assigned to Serbian companies.

Commenting the energy agreement between Russia and Serbia, European commission (EC) said it expects from Serbia to obey the Energy treaty signed by Croatia, Serbia, Montenegro, Albania, Macedonia and UNMIK in 2006.

The sale of NIS to Russians was criticized by several experts, opposition parties but also the minister of economy and regional development Mladjan Dinkic. Dinkic was the member of the government's team for negotiations with Russians, but he left the team after he was the only minister that was not in favor of sale of NIS to Gazprom. Dinkic was in favor of signing the natural gas agreement with Russia, while NIS should have been sold in the tender procedure.

Dinkic also suggested that Gazprom should not be granted majority stake in NIS and natural gas pipeline, where he called for equal shares in NIS and the pipeline.

General manager of Gazprom, Aleksey Miler said that Serbia, by cooperating with Gazprom, would have a chance to become one of the important energy transit countries, not only in Balkans, but in entire Europe also. Serbia will become also natural gas storage hub, and in the same time, it would have stable oil and gas supply during next decades, Miler said. He pointed out that Gazprom has advantage comparing to its competitors in terms of fuel reserves. By this agreement, Serbia would be able to develop its industry and energy sector. For Gazprom, partnership with Serbia will be beneficial, while the transit routes would be diversified and supply of European customers would be safer, Miler concluded.

Deputy spokesman of State department, Tom Casey said he was not acquainted with the details of the Russian-Serbian energy agreement, yet he said those two countries are free to sign such agreement. USA is interested in diversification of energy sources and energy transit routes, so that technical problems and political disputes would not cause any disturbances in supply, Casey said.

Experts in Serbia, which criticized the agreement, said that sale of NIS should have not be linked to natural gas arrangements. In the same time, their general opinion is that majority stake in NIS is far more valuable than 400 million euros. The critics also argued that Serbia would be able to achieve high transit revenues from the future pipeline.

Another objection of those that criticized the agreement is the fact that Serbia did not manage to acquire majority or at least equal share in the pipeline and storage facility. They quoted the example of Bulgaria, which managed to acquire equal share in similar agreement with Russia.

Tenders:

Company / organization:	EBRD, related Bosnia and Herzegovina
Stanari Thermal Power Plant Project	
Content:	<p>EFT-Thermal Power Plant Stanari" Ltd., member of Energy Financing Team Group, is considering applying in its own name or through a joint-venture to be established with a strategic partner, to the European Bank for Reconstruction and Development (EBRD) for a loan towards the co-financing of the construction of 420 MW lignite fired Power Thermal Plant Stanari.</p> <p>The power plant will be located near the town of Stanari, 70 km east of the city of Banja Luka. The new plant will be fuelled by lignite from the nearby Stanari lignite mine.</p> <p>The proposed power plant will require engineering, procurement and construction of a supercritical, single unit lignite fired power plant of 420 MW nominal capacity, pursuant to a "turnkey" engineering, procurement and construction ("EPC") contract.</p> <p>The plant shall be equipped with all necessary facilities including a complete flue gas treatment system, indirect dry cooling system, process water and water management system, coal storage and handling system, ash disposal system and ancillaries.</p> <p>The power plant shall be designed to fulfill the following objectives:</p> <ul style="list-style-type: none"> • Gross efficiency of at least 43% • High level of availability • Automated to a high degree, including flexible operating characteristics • Compliance with National and European Union environmental requirements. <p>Tendering for the EPC contract is expected to begin in September 2007 with pre-qualification of applicants. Procurement of services, supply, installation and works will be carried out following the results of a tender process.</p> <p>Contracts to be financed with loans from the EBRD will be subject to its Procurement Policies and Rules. The proceeds of the EBRD's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law or official regulation of the purchaser's country.</p>
Deadline:	27 July 2008 at 24:00, Belgrade time
Contact:	<p>Danilo Milosevic Chief Mechanical Engineer Energy Financing Team Ltd. Bulevar Mihaila Pupina 10b/II Belgrade, Serbia Tel: +381 11 3011 061 Fax: +381 11 3011 053 email: danilo.milosevic@eft-group.net</p>

Company / organization:	EBRD, related Romania
Rehabilitation and Modernisation of thermal power plant	
Content:	<p>. S.C. Complexul Energetic Turceni S.A. has applied for a loan from the European Bank for Reconstruction and Development [the Bank] and intends to use the proceeds to finance the Rehabilitation and Modernisation of Units 3 and 6 at its coal fired thermal power plant located in Turceni, Gorj County, Romania. The proposed project, which has a total estimated cost of EUR 425 million (excluding VAT), will aim at the achievement of the following objectives:</p> <ul style="list-style-type: none"> - increasing time and energy availability; - extending the unit operation period with 15 years; - improving technical-economic parameters; - improving environment conditions by reducing the noxes emissions to comply with the laws in force; - achieving technical conditions imposed by the interconnectivity to UCTE. <p>through:</p> <ul style="list-style-type: none"> -Rehabilitation and modernisation of the 1,035 t/h boiler and auxiliary plants; -Rehabilitation and modernisation of the 330 MW turbine and auxiliary plants; -Modernisation of the control, protection and regulating system within the UCTE norms. -Modernisation of the solid fuel settlement first phase. <p>The tendering procedure for the above is expected to begin in the first quarter of 2008.</p> <p>The tendering procedure and the works 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 opened to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	21 Dec 2008 at 00:0, Turceni time
Contact:	<p>Cristea Dumitru S.C. Complexul Energetic Turceni S.A. Uzinei Street, 1, Turceni, Gorj County, Romania Tel: +40253 335 247 Fax: +40253 335 122</p>

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

Company / organization:	EPS, related Serbia
OPGW CABLE WITH ASSOCIATED EQUIPMENT	
Content:	<p>This public Invitation for Tenders is published in the Official Journal of the European Communities, in the Official Gazette of the Republic of Serbia, in the Politika daily newspaper and on the website: www.eps.co.yu/news. This Invitation follows the General Procurement Notice for this project, which was published in Procurement Opportunities (European Bank for Reconstruction and Development EBRD website) The Electric Power Industry of Serbia (hereinafter referred to as "EPS" and the Purchaser) has received a loan from the European Investment Bank – EIB (hereinafter referred to as "the Bank") – towards the cost of the "Establishment of Telecommunications System". EPS now invites sealed tenders from suppliers for the following contract to be funded from part of the proceeds of the loan: Phase 3B; OPGW Cable with Associated Equipment. Tender no. 05/08/PT</p> <p>This contract will include:</p> <ul style="list-style-type: none"> • Optical Ground Wire (OPGW) – app 560 km. • Necessary installation accessories and fittings. • Underground nonmetallic optical cable – app. 14 000 m. • All Dielectric Self Support Cable (ADSS) – app. 50 000 m • Pigtailed with E 2 000 connectors – app 2 000 pcs. • Optical joint boxes – app 200 pcs. • Optical Distribution Frames (ODFs)– 15 pcs. • Inspection and Testing. • Operating and Maintenance manuals. • Training.
Deadline:	4 March 2008 at 12:00 AM, Belgrade time
Contact:	Mr. Predrag Mitrovic, JP Elektroprivreda Srbije (EPS), Tel: +381 11 2628 627 Fax: +381 11 2628 992 email: predrag.mitrovic@eps.co.yu

Company / organization:	EBRD, related Serbia
Belgrade District Heating Rehabilitation Program	
Content:	<p>The contract will comprise of the following:</p> <p>LOT I Supply and Installation of prefabricated substations on heating area of TO Cerak</p> <p>LOT II Supply and Installation of prefabricated substations on heating area of TO Banovo Brdo</p> <p>LOT III Supply and Installation of prefabricated substations on heating area of TO Miljakovac.</p> <p>Tenders are invited for one or more lots. Each lot must be priced separately.</p> <p>Tenders for more than one lot may offer discounts and such discounts will be considered in the comparison of tenders.</p> <p>The contracts include manufacturing, supply, installation and commissioning of total 782 prefabricated substations (Lot 1 – 337 substations, Lot 2 - 277 and Lot 3- 168), and also their integration with the existing equipment and systems.</p> <p>The contract conditions will be FIDIC "Conditions of Plant and Design-Built, First Edition 1999".</p>
Deadline:	14 March 2008 at 14:00, Belgrade time
Contact:	Mr. Goran Ajder Tel: +381 11 20 93 543; +381 64 89 98 015 Fax: +381 11 31 86 476 E-mail: tender@beoelektrane.co.yu

Company / organization:	EBRD, related Bulgaria
Varna city heating network rehabilitation KIDSF	
Content:	<p>The projects announced within this procurement notice will be partially financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tenders for technical specification, supply of the materials and work installation. The purpose of the project is improvement of the energy efficiency by rehabilitation of the 1/3 of the heating pipelines network, reducing energy losses. This includes the replacement of 11 km of over 20 years old steel pipes, insulated with glass wadding and laid in concrete ducts with pre-insulated steel pipes for direct bedding. The pipeline replacement concerns about 1/3 of the heat distribution network of the district heating network for heat transmission and distribution pipelines of DN 50 to DN 500.</p> <p>The rehabilitation process will be provided over three years, during spring and summer periods, in order to minimize the heat supply interruption in Varna city. The first phase is planned to start in 2008, with the renewal of 4 km of pipelines, in the area of Mladost.</p> <p>The main area to be tendered under the EBRD PPR for the KIDSF financing is the supply of the pre-insulated pipe and additional material.</p> <p>Overall Budget for the project is €2.0 million, from which €0.4 million will be funded from the Kozloduy International Decommissioning Support Fund.</p> <p>The invitation for tenders are expected in the first quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF.</p> <p>The eligible countries as at 1 July 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:	22 Jan 2009 at 00:00, Varna time
Contact:	Mr. Ilia Nikolaev Toplofikatsia Varna, (Dalkia Varna) Director of the board Tel: +359 52 500 670 Fax: +359 52 750 358 e-mail: inikolaev@dalkia.bg

Company / organization:	EBRD, related Bosnia and Herzegovina
Power Distribution Reconstruction Project	
Content:	<p>This Invitation for Tenders follows the General Procurement Notice for this project which was published on EBRD Procurement Opportunities on November 11th, 2005.</p> <p>JP ELEKTROPRIVREDA BOSNE I HERCEGOVINE – d.d. SARAJEVO hereinafter referred to as the Purchaser, intends using part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Electrical meters, current associated transformers and PTSN modems. The Purchaser now invites sealed tenders from all interested Purchasers and/or Manufacturers for the following contract to be funded from part of the proceeds of the loan:</p> <p>The contract will cover supply of</p> <ul style="list-style-type: none"> • Electrical meters for households – 33.230 (thirty three thousands and two hundred thirty) pcs, • Electrical meters for other categories of consumption – 1.117 (one thousand one hundred and seventeen) pcs, • Current transformers 0,4 kV - 711 (seven hundred and eleven) pcs, current transformers 10(20) kV - 9 (nine) pcs and • Communicator with PSTN modem – 24 (twenty four) pcs and 5 (five) portable working standard meters <p>Tendering for contracts to be financed with the proceeds of a loan from the Bank is open to firms from any country.</p> <p>To be qualified for the award of a contract, Tenderers must meet the qualifying criteria; specified in Instruction to Tenderers.</p> <p>Tender documents may be obtained from the office at the address below, starting from 19.12.2007 upon payment of a non-refundable fee of 300 (three hundred) EUR or equivalent in a convertible Bosnian Marks (BAM) currency. Potential Tenderers upon request may receive by fast courier services the tender document against payment of additional 100 (one hundred) EUR or equivalent amount in BAM, to be paid on below mentioned manner. If requested, the documents will be promptly dispatched by courier, but no liability can be accepted for loss or late delivery.</p> <p>The Tender must be accompanied by a tender security of 30,000 € or its equivalent in BAM currency.</p>
Deadline:	19 Feb 2008 at 12:00, Sarajevo time
Contact:	<p>JP ELEKTROPRIVREDA BOSNE I HERCEGOVINE – d.d. Sarajevo Project Implementation Unit Mr. Nedeljko Despotović, PIU Director Vilsonovo šetalište 15 71000 Sarajevo BOSNIA AND HERZEGOVINA Tel.+387 33 751 030 Fax.+387 33 751 033 e-mail: n.despotovic@elektroprivreda.ba</p>

Company / organization:	EBRD, related Romania
CFR Traction Energy Network Management LOT 1,2 - General	
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 Electricare 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:	<p>Mr I Truica, Technical Director S.C. Electricare SA, B-dul D Golescu nr.38 Bucharest, Romania Tel: + 40 213192512 Email: ionel.truica@cfr.ro</p>

Company / organization:	EPHZHB, related Bosnia and Herzegovina
Purchase of electrical energy	
Content:	<p>LOT 1 From April to December, 41 MW (00-24h) (270641 MWh overall) LOT 2 From July to September, 40 MW (00-24h) (88320 MWh overall) LOT 3 July and August, 20 MW (00-24) (29760 MWh overall) Delivery point – BiH border.</p>
Deadline:	25.2.2008, 12:00, local time
Contact:	<p>www.ephzhb.ba Ervin Leko Tel: +38736355230 Fax: +38736355261 ervin.leko@ephzhb.ba</p>

Company / organization:	EBRD, related Bulgaria
Rehab and Extension of Power Transmission Network LOT 1,2,3	
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
CFR Traction Energy Network Management LOT 1,2 - General	
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:	<p>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</p>

Company / organization:	EBRD, related Romania
Iasi District Heating Project	
Content:	<p>This General Procurement Notice (GPN) updates the first GPN for this project published in Procurement Opportunities, on 6 February 2006 with the Ref: 5189-GPN -35162.</p> <p>S.C. Centrala Electrică de Termoficare (CET).Iași S.A. has received a loan from the European Bank of Reconstruction and Development and intends using the proceeds for refurbishment of the city district heating.</p> <p>The Project, which has a total estimated cost of about €31.8 million, proposed to be financed by the Bank, the Swiss Government and S.C.CET Iasi S.A, will require the procurement of the following goods and works:</p> <ul style="list-style-type: none"> - Supply and Installation of thermal modules (expected to be partly donor funded) - Supply and Installation of the equipment in the Central Sub-stations, including the automation equipment (expected to be partly donor funded) - Rehabilitation Works for the Central Sub-stations, including Buildings Rehabilitation - Rehabilitation Works for the Heat Distribution Network <p>Tendering for the above is expected to start in the 1st quarter 2007.</p> <p>Contracts to be financed with the proceeds of a loan from the bank will be subject to the Bank's Procurement Policies and Rules and will be open to firms from any country. The proceeds of the Bank's loan will not be used for the purpose of any payment to persons or entities, of for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law of official regulation of the Purchaser's country.</p>
Deadline:	25 Apr 2008 at 24:00, Iasi time
Contact:	<p>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</p>

Company / organization:	EBRD, Serbia
Electric Power Industry of Serbia	
Content:	<p>This notice updates the General Procurement Notice for this project which was posted on the EBRD website on 19 November 2003.</p> <p>Electric Power Industry of Serbia (EPS) is constructing and conducting an installation of a reliable overburden removal system at Tamnava West lignite mine financed from a loan from the European Bank for Reconstruction and Development (EBRD) and the Kreditanstalt fuer Wiederaufbau (KfW).</p> <p>EPS has applied for an EBRD loan for the realization of the following parts of the new lignite mining system:</p> <ul style="list-style-type: none"> • New Bucket Wheel Excavator • New Belt Conveyor system (co-financed by KfW) • New shifting devices <p>EPS has further applied for KfW loan for the following parts of the new system:</p> <ul style="list-style-type: none"> • Parts of the new belt conveyor system • New power supply system • Spreader integrating new and available parts <p>Tendering process is completed and contract realization for the above goods and services is ongoing and project completion is planned for the second quarter of 2009.</p>
Deadline:	12 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
Pernik District Heating Rehabilitation Project	
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) administered by the European Bank for Reconstruction and Development (the Bank) towards the cost of "Pernik District Heating Rehabilitation Project". The project has accumulated savings of €180,000 which is intended to be used for Construction and Installation Works (CIW) needed for the rehabilitation of the heat transmission network.</p> <p>Contracts to be financed with the KIDSF grant will be subject to the Bank's Procurement Policies and Rules. Tendering for contracts to be financed with the proceeds of a grant administered by the Bank is now open to firms from Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Portugal, Spain, Sweden, Switzerland, UK, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, the Netherlands, Poland, Romania, Slovakia, Slovenia, all the so called PHARE and countries of EBRD operations.</p>
Deadline:	12 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:	EBRD, related Bosnia and Herzegovina
Power Distribution Reconstruction Project	
Content:	<p>This GPN updates the notice published on the EBRD website on 11 November 2005. Bosnia and Herzegovina has applied for a loan from the European Bank for Reconstruction and Development ("The Bank") towards the cost of reconstructing and modernising the electricity distribution infrastructure in Bosnia and Herzegovina, enabling the three local power utilities (Elektroprivreda Bosne Hercegovine ("EPBIH"); Elektroprivreda Republike Srpske ("EPRS") and Elektroprivreda Hrvatske Zajednice Herceg Bosne ("EPHZHB")) to improve reliability and quality of electricity supply, reduce losses and improve energy efficiency.</p> <p>The proposed project has a total estimated cost of Euro 55 million, proposed to be financed by the EBRD, and will require the procurement of the following goods, works and services for:</p> <p>(a) Goods and related Services for purchasing of metering equipment for residential consumption and Low and Medium Voltage substations, Low and Medium Voltage transformers, cables and auxiliary equipment for Low and Medium Voltage lines, machinery and equipment for the installation of the aforementioned items;</p> <p>(b) Works for the installation of the aforementioned items;</p> <p>(c) Consulting services to support the three Project Implementation Units established by the three power utilities.</p> <p>Tendering for contracts under (c) above was completed in June 2006. Procurement for goods & services and works under (a) and (b) above has started and should be completed by December 2007.</p>
Deadline:	2 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@ephzhb.ba

Oil and Gas

Company / organization:	EBRD, related Bulgaria
Bulgartransgaz Silistra System Development	
Content:	<p>Bulgartransgaz EAD intends to use the proceeds of the Grant funds provided by the Kozloduy International Decommissioning 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"> • Temporary construction and preparatory works; • Delivery of materials and equipment (except of those included in the Delivery Contracts (A, B and C) above); • Construction and installation; • Pre-commissioning and commissioning tests; • Getting Permission on Commissioning by the competent control authorities; • 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. <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>