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# NEWS

Energy News in Southeast Europe  
twice in a month •

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**.BALKANENERGY.COM**

## About:

Main focus of Balkan Energy NEWS is energy related news from countries of South East Europe. Countries involved are: Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, FYR Macedonia, Montenegro, Romania, and Serbia. 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 relevant power exchanges.

News are published to subscribers only as an .pdf edition, two times per month

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## In this issue:

**June (1) 2008 issue of Balkan Energy NEWS, with limited data.**

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## Actual data

- » Power sector operational and market data for the period of 1.06.-15.06.2008
- » Forecasted weather conditions for the following period

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## Analysis:

- » Tender for construction of CCHPP in Skopje, Macedonia

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## News headlines

### Regional:

- » Decision on construction of PEOP in 2009

### Albania:

- » Tender for enecricity import finished
- » Albania to invite 4 companies for sale of distribution branch of KESH
- » PM Sali Berisha received representatives of the PPC-RWE-Titan consortium

### Bosnia and Herzegovina:

- » Government negotiates with CEZ on TPP Gacko; prime minister confirmed there are several other alternatives
- » 205 million euros paid for import of oil derivatives
- » Officials from Zarubezneft to visit RS in June
- » Unit 1 in HPP Jablanica put in service
- » Government finished audit of potential strategic partners in energy projects

- » EFT acquired ecological permit for TPP Stanari
- » The intake tunnel for HPP Mostarsko Blato completed

### **Bulgaria:**

- » BNP Paribas and NEK agreed on financing of construction of NPP Belene
- » Russia ready to fund construction of NPP Belene
- » Unit 5 in NPP Kozloduy out of service due to regular maintenance works
- » Kovachki announced to build two new units in TPP Bobov Dol
- » Signing the protocol with Azerbaijan regarding natural gas supplies
- » Three bids for consultant for energy holding
- » Regulator to approve 14 -18 % increase in electricity prices from July, government called for smaller increase
- » Government established working group for development of NPP Kozloduy

### **Croatia:**

- » Adria LNG consortium in favor of construction of LNG terminal in Omisalj
- » OMV interested in purchase of shares of INA
- » Government adopted plans for development of natural gas pipeline network
- » 20 % increase in electricity prices from July 1, subsidies for households
- » Lukoil could be interested in privatization of INA
- » NPP Krsko in service after malfunction

### **Greece:**

- » DEPA signed an agreement with Edison
- » Greek Mytilineos Group purchased 18 MW wind park
- » Tariff increase from 1st of July
- » 5 bids for Rhodes power plant

### **Macedonia:**

- » Weekly auctions of night energy turned to daily auctions
- » Investments in distribution network
- » Possible solution for Russian debt to Macedonia

### **Montenegro:**

- » KAP interested in construction of power plants
- » Medoil interested for natural gas researches
- » Government and EPCG agreed on subsidies for electricity bills
- » Prime minister criticized cancellation of privatization of TPP Pljevlja
- » Government approved concessions for seven small HPPs
- » EPCG posted 7.9 million euros of losses in 2007
- » AMG Bank interested in privatization of EPCG

### **Romania:**

- » E.On to acquire majority share in TPP Braila project
- » Romgaz to negotiate gas supplies through Nabucco pipeline
- » Petrom interested in natural gas export through Arad-Szeged pipeline
- » Natural gas consumption to be expressed in MWh from July
- » Transgaz and Bulgargaz negotiate construction of new gas pipeline
- » Romgaz to be involved in electricity production
- » Transelectrica to select consultant for construction of interconnection power line toward Serbia
- » The government to hold majority stake in units 3 and 4 in NPP Cernavoda
- » Merrill Lynch interested in investments in electricity production

### **Serbia:**

- » Construction of South stream pipeline to start in 2011
- » Negotiations with Russia regarding renewal of HPP Djerdap
- » Government supports ratification of energy agreement
- » EFT started research works for new TPP

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

## Balkan Energy NEWS publication

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

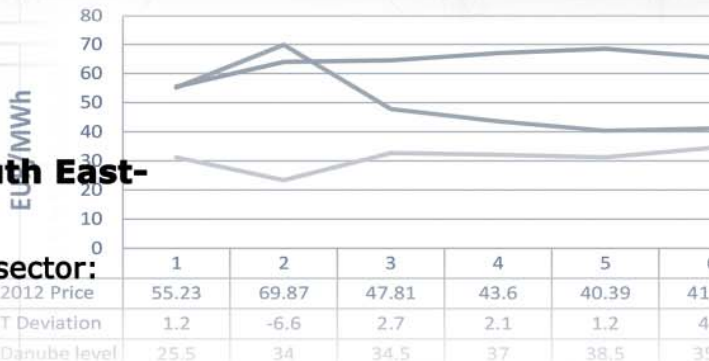
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The readers who will mostly benefit from the content of Balkan Energy News are: energy trading companies, investors, consulting companies, financial institutions, electricity generation companies, electricity distribution companies, transmission system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

06	1022	Slovenia	2009	12297	1083	944	878	929
48	1134		2010	12287	1083	991	1054	941
81	1077		2011	12590	955	1051	1127	997

OPCOM

Annual electricity consumption in GWh				1	2	3	4
	Year	Sum					
16	1120	2007	11182	1027	891	953	850
95	1089	2008	11570	1094	998	1012	911
31	1054	Bosnia and Herzegovina 2009	10994	1099	932	963	816
00	1156	2010	11722	1074	979	1016	910
86	1157	2011	12186	1155	1038	1075	938
05	3307	Bulgaria 2008	34506	3199	2960	2637	2637
87	3185	2009	32732	3091	3198	2638	2638
70	3257	2010	31954	3486	3052	3021	2443
47	3187	2011	33452	3475	3107	3037	2677
15	1640	2008	17842	1680	1543	1570	1499
71	1648	Croatia 2009	17507	1625	1530	1551	1323
77	1648	2010	17507	1625	1530	1551	1323
53	1648	2011	17507	1625	1530	1551	1323
39	1648	2012	17507	1625	1530	1551	1323
11	1648	2013	17507	1625	1530	1551	1323
94	1648	2014	17507	1625	1530	1551	1323
73	1648	2015	17507	1625	1530	1551	1323
52	1648	2016	17507	1625	1530	1551	1323
44	1648	2017	17507	1625	1530	1551	1323
10	1648	2018	17507	1625	1530	1551	1323
34	1648	2019	17507	1625	1530	1551	1323
10	1648	2020	17507	1625	1530	1551	1323
64	4791	Romania 2009	50636	4736	4268	4473	3803
92	5141	2010	53265	4874	4472	4727	4111



## Country Reports on Energy Business in South Eastern Europe

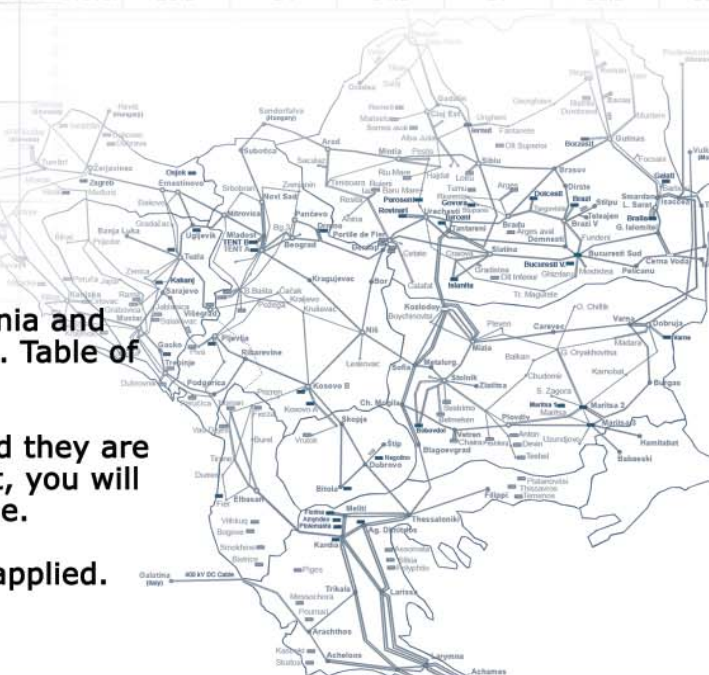
Country reports provide detailed overview of energy sector:

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

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

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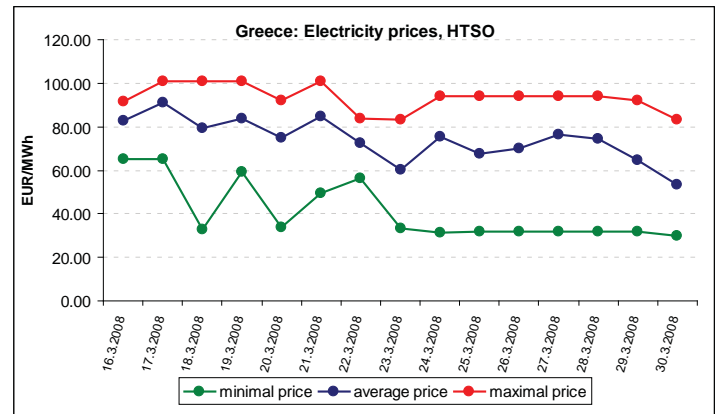
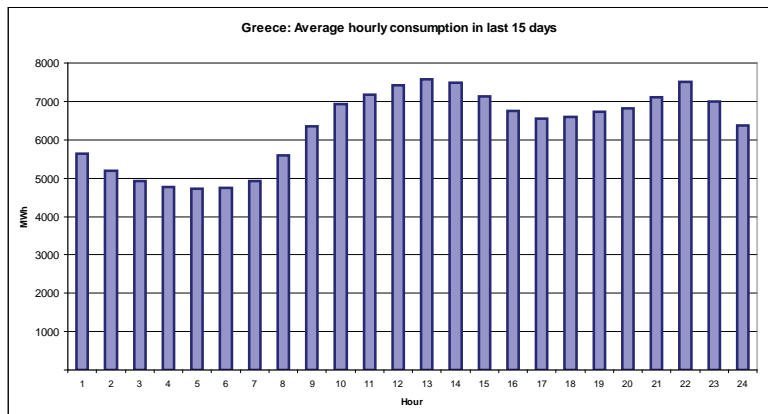


### Greece: Electricity consumption in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.6.2008	5750	5280	4990	4800	4600	4550	4440	4680	5220	5660	6100	6480	6640	6450	5980	5700	5680	5800	5980	6050	6400	6940	6660	6180
2.6.2008	5700	5200	4900	4770	4770	4800	5100	5950	6870	7520	7700	7930	8070	8050	7770	7340	7100	7100	7180	7260	7480	7880	7220	6600
3.6.2008	5900	5400	5140	4980	4950	5040	5320	6210	7070	7700	7900	8030	8200	8130	7800	7400	7130	7240	7430	7450	7770	7950	7330	6620
4.6.2008	5330	5130	4860	4770	4740	4800	5100	5920	6700	7280	7450	7650	7750	7700	7400	6950	6700	6630	6650	6700	7230	7700	7100	6280
5.6.2008	5760	5260	5000	4870	4830	4900	5200	6050	6850	7450	7600	7800	7940	7900	7500	7180	6950	7000	7200	7260	7550	7800	7130	6450
6.6.2008	5800	5300	5050	4900	4850	4900	5200	6050	6900	7500	7630	7800	7940	7900	7730	7350	7040	6950	7100	7180	7450	7840	7280	6600
7.6.2008	5800	5340	5090	4950	4850	4850	4900	5300	6050	6600	6990	7200	7440	7400	6900	6500	6280	6300	6430	6550	6830	7390	6850	6330
8.6.2008	5580	5140	4870	4700	4600	4580	4480	4720	5150	5590	5980	6350	6500	6300	5840	5580	5600	5750	5900	6060	6300	6940	6700	6140
9.6.2008	5300	4800	4600	4480	4480	4580	4920	5720	6650	7300	7370	7530	7640	7600	7400	7000	6770	6700	6830	6940	7220	7600	7000	6350
10.6.2008	5600	5130	4880	4760	4720	4780	5040	5840	6660	7240	7400	7620	7780	7700	7380	7000	6780	6880	7020	7120	7370	7600	6900	6350
11.6.2008	5500	5000	4740	4600	4590	4640	4900	5780	6600	7180	7330	7600	7700	7600	7330	6950	6700	6700	6770	6830	7100	7530	6980	6250
12.6.2008	5670	5160	4870	4740	4680	4750	4990	5830	6710	7320	7540	7750	7940	7880	7520	7150	6940	7000	7100	7150	7350	7650	7040	6370
13.6.2008	5700	5200	4900	4800	4700	4780	5050	5900	6800	7400	7600	7800	7950	7850	7500	7130	6920	6950	7080	7150	7320	7650	7100	6400
14.6.2008	5700	5250	4990	4850	4800	4840	4840	5300	6040	6600	6920	7200	7450	7400	6900	6500	6300	6300	6400	6600	6960	7350	6900	6350
15.6.2008	5560	5150	4870	4690	4620	4550	4420	4630	5100	5580	6040	6440	6650	6450	5890	5640	5520	5620	5760	6000	6280	6950	6650	6260
Average:	5643	5183	4917	4777	4719	4756	4927	5592	6358	6928	7170	7412	7573	7487	7123	6758	6561	6595	6722	6820	7107	7518	6989	6369

### Greece: System Marginal Prices in last 15 days

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.6.2008	83.41	83.42	83.41	65.14	65.13	65.13	65.13	65.13	91.40	83.90	91.40	91.40	91.40	91.40	83.90	91.40	83.90	83.90	83.90	83.90	91.40	91.40	91.40	83.90
2.6.2008	101.13	65.13	65.14	65.13	65.13	65.13	83.42	94.00	101.13	101.10	101.10	101.10	101.10	101.10	101.10	101.10	99.30	99.30	99.30	99.30	94.00	99.30	101.10	83.41
3.6.2008	83.41	59.27	33.65	32.91	32.91	33.65	56.17	65.13	99.20	94.00	94.00	99.30	101.00	94.00	99.30	94.00	94.00	94.00	94.00	94.00	99.30	94.00	94.00	65.14
4.6.2008	62.79	65.13	62.79	59.27	59.27	59.27	65.13	65.14	93.90	93.90	94.00	94.00	94.00	94.00	94.00	94.00	93.90	93.90	93.90	94.00	101.00	101.00	99.20	83.89
5.6.2008	65.14	59.27	56.17	34.75	33.65	33.65	56.18	65.13	92.09	83.90	83.89	92.09	92.09	92.09	83.89	83.90	83.90	83.90	92.09	92.09	92.09	92.09	92.09	65.14
6.6.2008	65.13	62.79	59.27	53.23	49.65	53.23	59.27	92.00	94.00	93.90	99.20	99.30	99.30	94.00	99.20	93.90	92.10	92.10	92.09	93.90	99.30	101.00	99.22	92.10
7.6.2008	62.80	62.80	59.27	59.27	56.18	56.18	59.27	62.80	65.13	83.41	83.41	83.41	83.41	83.41	83.41	65.14	65.14	65.14	83.41	83.89	83.89	83.89	83.89	83.89
8.6.2008	62.79	59.27	56.18	53.23	34.75	34.75	33.53	59.27	62.79	65.13	65.14	83.41	65.14	65.14	65.13	65.13	62.79	62.80	62.80	65.13	65.13	65.13	65.14	65.13
9.6.2008	62.79	56.18	32.84	31.46	32.62	32.84	53.23	65.13	92.09	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	92.00	83.41	94.00	92.00	65.13
10.6.2008	59.27	49.65	32.84	32.84	31.87	32.84	33.53	62.79	65.13	83.41	83.41	83.41	83.41	83.41	83.41	83.41	83.41	83.41	83.89	83.41	65.13	93.95	83.41	62.80
11.6.2008	32.62	62.70	31.73	33.53	31.73	31.73	31.73	59.28	93.95	83.90	92.09	92.09	83.90	92.09	92.09	83.42	92.09	92.09	92.09	62.79	83.42	65.13	93.95	65.13
12.6.2008	92.00	59.27	33.05	32.84	31.73	32.84	33.65	65.13	92.09	93.95	93.95	93.95	93.95	93.95	93.95	93.95	93.95	93.95	93.95	65.13	92.09	92.10	93.95	83.41
13.6.2008	62.80	59.27	33.65	31.73	32.84	31.73	33.53	62.80	83.90	93.95	93.95	93.95	93.95	93.95	93.95	93.95	92.09	92.09	93.95	83.41	92.09	92.09	93.95	62.80
14.6.2008	62.79	59.27	53.23	32.62	32.62	31.73	59.27	59.27	65.13	92.09	83.42	83.41	65.13	65.13	65.13	65.13	65.13	65.13	65.13	83.41	83.43	83.43	83.42	83.41
15.6.2008	62.80	34.75	33.65	34.75	33.53	33.65	29.87	31.34	33.53	62.79	62.79	62.79	65.13	62.79	59.27	62.80	62.79	59.27	59.27	62.80	62.79	62.79	83.41	62.79
Average:	68.11	59.88	48.46	43.51	41.57	41.95	48.36	64.96	81.31	84.96	88.16	89.71	88.21	86.56	85.98	84.22	83.77	83.53	85.45	82.61	85.90	87.42	90.01	73.87



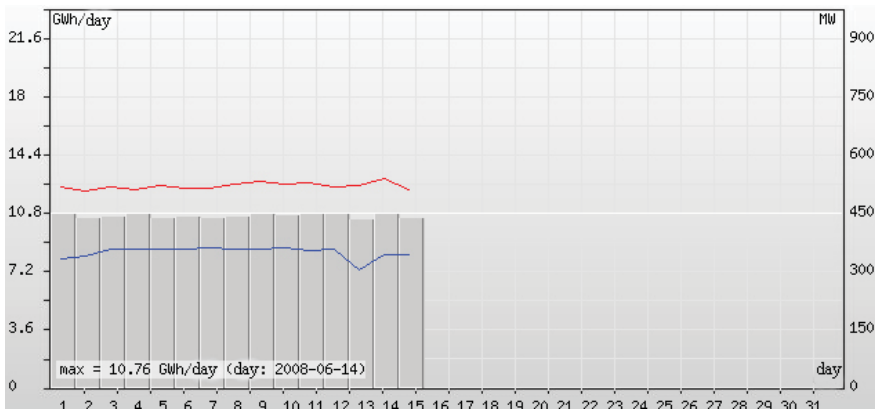
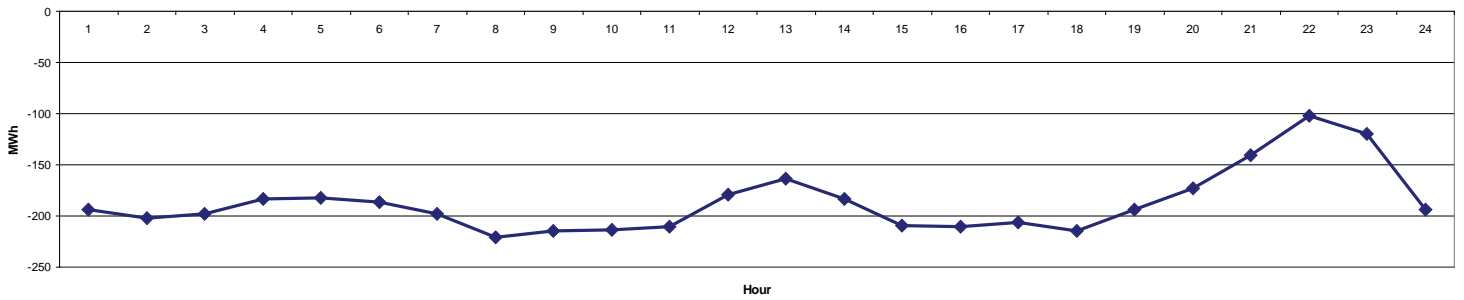
### Montenegro: Electricity exports in last 15 days per border (MWh)

	1.6.2008	2.6.2008	3.6.2008	4.6.2008	5.6.2008	6.6.2008	7.6.2008	8.6.2008	9.6.2008	10.6.2008	11.6.2008	12.6.2008	13.6.2008	14.6.2008
Montenegro - Albania	-29	1277	638	1815	1762	1571	3497	3302	3168	3379	2920	2439	2595	2383
Montenegro - BiH	-5492	-4462	-4052	-4304	-5033	-5815	-7796	-6894	-4896	-5046	-4722	-5598	-6717	-7011
Montenegro - Serbia	-604	-757	258	-982	-1117	-1066	-757	-569	-29	-1659	-904	-2181	-2079	-801
Total	-6125	-3942	-3157	-3471	-4388	-5311	-5056	-4160	-1757	-3326	-2706	-5340	-6201	-5430

### Montenegro: Electricity export in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.6.2008	-285	-285	-278	-269	-229	-279	-280	-287	-269	-272	-278	-239	-47	-146	-300	-300	-306	-252	-259	-250	-239	-223	-255	-299
2.6.2008	-175	-156	-144	-135	-145	-149	-149	-175	-210	-222	-221	-217	-219	-212	-202	-205	-207	-210	-195	-185	-86	109	-66	-168
3.6.2008	-221	-202	-203	-192	-193	-187	-213	-246	-216	-217	-177	-109	-96	-126	-97	-70	-68	-130	-139	-67	35	51	34	-108
4.6.2008	-223	-215	-208	-184	-198	-197	-216	-230	-184	-178	-173	-170	-175	-195	-185	-192	-187	-179	21	12	2	76	-5	-88
5.6.2008	-141	-183	-205	-183	-195	-184	-206	-219	-205	-200	-204	-217	-199	-200	-200	-196	-206	-209	-197	-221	-231	-85	61	-165
6.6.2008	-204	-200	-212	-189	-187	-184	-196	-221	-237	-245	-240	-217	-228	-234	-237	-228	-225	-214	-200	-218	-259	-252	-239	-247
7.6.2008	-219	-205	-200	-189	-185	-188	-185	-206	-231	-227	-239	-252	-241	-247	-248	-231	-216	-221	-225	-218	-175	-120	-160	-230
8.6.2008	-175	-152	-137	-136	-128	-138	-140	-160	-180	-168	-177	-173	-186	-202	-202	-188	-170	-178	-187	-198	-198	-205	-204	-181
9.6.2008	-223	-211	-198	-197	-189	-196	-80	-34		-218	-238	-148	-172	-198	-184	-222	-229	-232	-149	-97	-108	-151	-98	-304
10.6.2008	-91	-201	-205	-183	-203	-190	-206	-245	-78	-59	-24	-89	-161	-186	-176	-173	-184	-175	-186	-94	-29	-50	-37	-101
11.6.2008	-223	-203	-194	-182	-177	-188	-188	-228	-130	-136	-145	-46	-41	-38	-61	-107	-102	-145	-156	-81	57	58	0	-52
12.6.2008	-107	-216	-208	-208	-188	-192	-207	-232	-226	-225	-233	-238	-240	-234	-220	-231	-237	-256	-245	-242	-236	-244	-226	-252
13.6.2008	-213	-194	-191	-155	-152	-162	-308	-378	-378	-413	-410	-140	-38	-91	-357	-348	-333	-370	-350	-319	-263	-129	-229	-280
14.6.2008	-216	-206	-187	-167	-178	-181	-191	-226	-251	-207	-192	-250	-245	-263	-269	-247	-225	-239	-250	-238	-240	-262	-261	-241
<b>Average:</b>	<b>-194</b>	<b>-202</b>	<b>-198</b>	<b>-184</b>	<b>-182</b>	<b>-187</b>	<b>-197</b>	<b>-220</b>	<b>-215</b>	<b>-213</b>	<b>-211</b>	<b>-179</b>	<b>-163</b>	<b>-184</b>	<b>-210</b>	<b>-210</b>	<b>-207</b>	<b>-215</b>	<b>-194</b>	<b>-173</b>	<b>-141</b>	<b>-102</b>	<b>-120</b>	<b>-194</b>

### Montenegro: Average Hourly exports in last 15 days

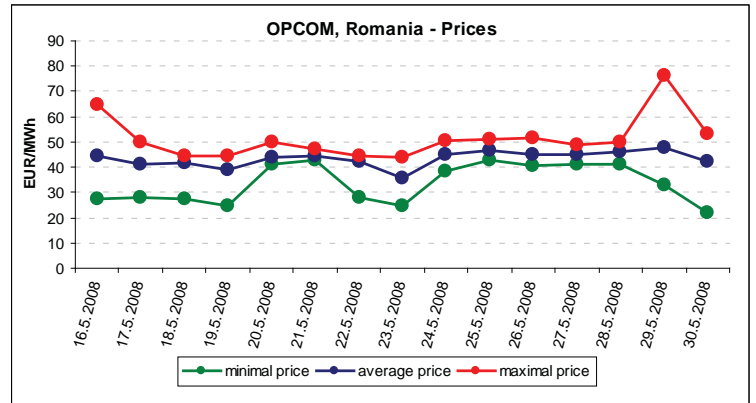
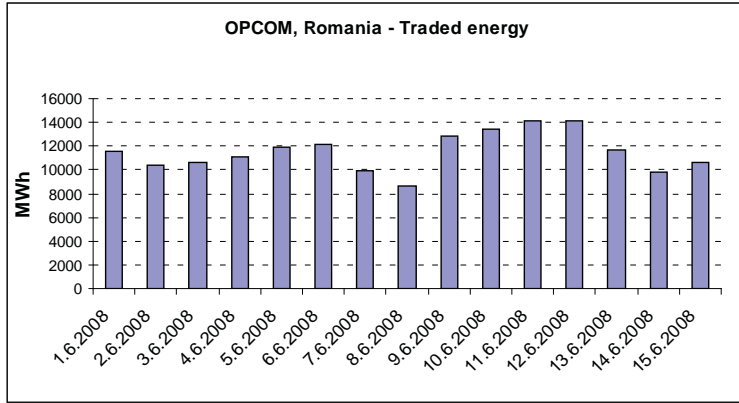


Gray block: Daily consumption (in GWh)  
 Red line: Maximal daily load (in MW)  
 Blue line: Minimal daily load (in MW)  
 (source: TSO EPCG)

### Romania: Electricity consumption in last 15 days (MWh)

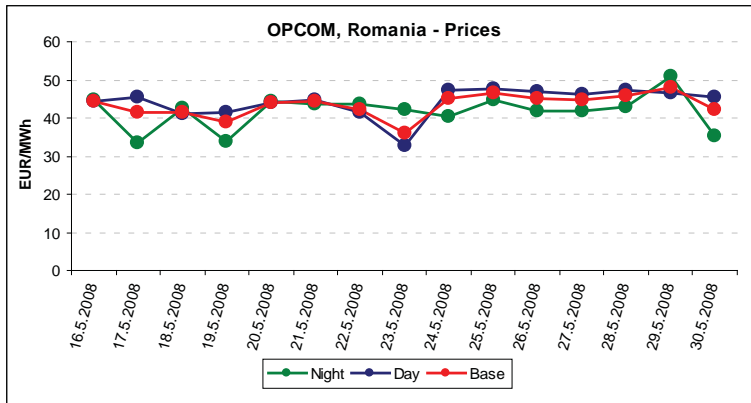
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.6.2008	5441	5167	5049	4978	4970	4829	4641	4737	4900	5038	5168	5201	5259	5267	5194	5103	5125	5159	5214	5346	5548	6043	5957	5446
2.6.2008	5119	4943	4870	4845	4881	4893	5129	5849	6335	6547	6534	6500	6579	6647	6540	6402	6347	6273	6158	6175	6326	6755	6637	5969
3.6.2008	5608	5414	5334	5311	5304	5328	5414	5950	6351	6472	6529	6475	6544	6599	6582	6506	6383	6320	6182	6186	6315	6701	6608	5981
4.6.2008	5647	5354	5238	5150	5157	5144	5339	5906	6310	6497	6563	6533	6603	6643	6548	6387	6227	6135	6025	5988	6135	6560	6475	6009
5.6.2008	5547	5374	5258	5138	5153	5109	5323	5844	6174	6415	6470	6470	6520	6552	6547	6362	6252	6229	6072	5990	6180	6650	6560	5949
6.6.2008	5510	5255	5112	5095	5065	5051	5228	5739	6152	6305	6437	6477	6505	6522	6460	6389	6289	6210	6156	6134	6222	6579	6531	5968
7.6.2008	5648	5398	5212	5181	5175	5149	5055	5308	5636	5852	5947	6025	6055	5940	5851	5758	5747	5785	5756	5728	5887	6347	6366	5928
8.6.2008	5422	5134	4955	4854	4838	4699	4495	4599	4779	5025	5105	5159	5176	5184	5150	5122	5110	5088	5124	5264	5459	5797	5845	5443
9.6.2008	5037	4837	4753	4730	4722	4687	4987	5566	6061	6356	6463	6474	6483	6523	6496	6313	6216	6155	6052	5997	6146	6612	6563	5962
10.6.2008	5627	5392	5270	5165	5202	5183	5375	5904	6279	6450	6544	6503	6538	6621	6534	6387	6285	6249	6070	6048	6173	6594	6551	5926
11.6.2008	5619	5340	5232	5149	5154	5146	5336	5909	6283	6405	6488	6543	6563	6673	6593	6465	6398	6280	6179	6124	6232	6568	6501	5988
12.6.2008	5708	5476	5356	5236	5246	5242	5381	5961	6439	6648	6657	6731	6803	6843	6803	6576	6466	6305	6253	6244	6321	6630	6545	6019
13.6.2008	5751	5508	5387	5313	5230	5265	5365	5895	6371	6619	6633	6718	6756	6787	6734	6526	6449	6331	6285	6220	6308	6729	6793	6230
14.6.2008	5679	5424	5332	5201	5196	5057	5007	5277	5579	5868	5998	6038	6011	5922	5842	5740	5724	5764	5709	5726	5906	6305	6296	5918
15.6.2008	5424	5246	5089	4947	4942	4779	4582	4634	4759	5000	5109	5133	5160	5159	5127	5022	5048	5090	5064	5107	5330	5769	5816	5430
<b>Average:</b>	<b>5519</b>	<b>5284</b>	<b>5163</b>	<b>5086</b>	<b>5082</b>	<b>5037</b>	<b>5111</b>	<b>5538</b>	<b>5894</b>	<b>6100</b>	<b>6176</b>	<b>6199</b>	<b>6237</b>	<b>6259</b>	<b>6200</b>	<b>6070</b>	<b>6004</b>	<b>5958</b>	<b>5887</b>	<b>5885</b>	<b>6033</b>	<b>6443</b>	<b>6403</b>	<b>5878</b>





**Opcom, Romania: Prices in last 15 days (EUR/MWh)**

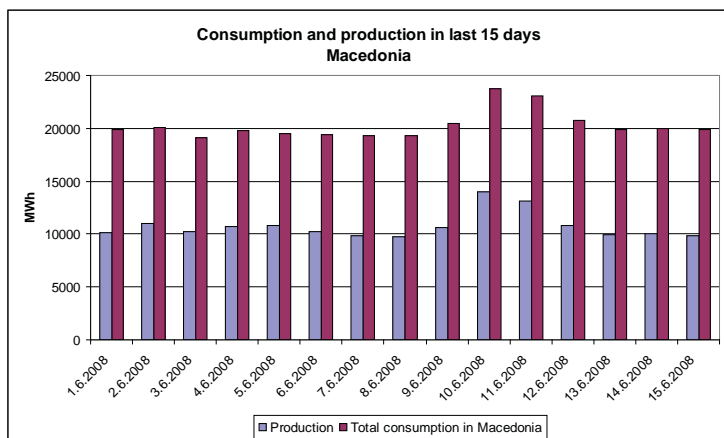
	1.6.2008	2.6.2008	3.6.2008	4.6.2008	5.6.2008	6.6.2008	7.6.2008	8.6.2008	9.6.2008	10.6.2008	11.6.2008	12.6.2008	13.6.2008	14.6.2008	15.6.2008
Base Price	44.49	41.40	41.53	38.93	44.07	44.36	42.06	35.85	45.13	46.67	45.22	44.85	45.87	47.96	42.08
Base Quantity	11619	10439	10599	11099	11951	12130	9977	8644	12807	13443	14166	14166	11682	9767	10611
Day Price	44.43	45.41	41.07	41.57	43.84	44.67	41.35	32.68	47.45	47.55	46.86	46.31	47.26	46.54	45.41
Day Quantity	8050	7247	7473	7710	8473	8649	6734	5524	9530	9780	10255	10255	8433	7002	7290
Night Price	44.61	33.38	42.46	33.65	44.53	43.76	43.48	42.21	40.50	44.90	41.94	41.94	43.08	50.79	35.41
Night Quantity	3569	3192	3126	3389	3478	3481	3243	3119	3277	3664	3912	3912	3250	2765	3322



Day energy (06-22h)  
 Base energy (00-24h)  
 Night energy (22-06h)

**Mepso, Macedonia (MWh)**

	1.6.2008	2.6.2008	3.6.2008	4.6.2008	5.6.2008	6.6.2008	7.6.2008	8.6.2008	9.6.2008	10.6.2008	11.6.2008	12.6.2008	13.6.2008	14.6.2008	15.6.2008
Production	10163	11015	10190	10691	10776	10205	9890	9728	10593	14005	13120	10785	9967	10051	9886
Import	9694	9036	8876	9071	8678	9182	9450	9540	9836	9764	9908	9923	9870	9968	10041
Total consumption in FYROM	19857	20051	19066	19762	19454	19387	19340	19268	20429	23769	23028	20708	19837	20019	19927





## Tables with offered Available Transfer Capacities (ATC) in Balkan region for July 2008

NOS BIH - Bosnia & Herzegovina						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > BIH	-	-	350	-	-	01.-31.7.2008.
Montenegro > BIH	-	-	480	-	-	01.-31.7.2008.
Serbia > BIH	-	-	100	-	-	01.-31.7.2008.
<b>EXPORT</b>						
BIH > Croatia	-	-	450	-	-	01.-31.7.2008.
BIH > Montenegro	-	-	370	-	-	01.-31.7.2008.
BIH > Serbia	-	-	150	-	-	01.-31.7.2008.

ESO - Bulgaria						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Bulgaria	-	-	50	-	50	01.-31.7.2008.
Romania > Bulgaria	-	-	100	-	0	01.-02.7.2008.
	-	-	300	-	200	03.-19.7.2008.
	-	-	200	-	100	20.-21.7.2008.
	-	-	300	-	200	22.-31.7.2008.
Greece > Bulgaria	-	-	200	-	200	01.-31.7.2008.
<b>EXPORT</b>						
Bulgaria > Serbia	-	-	100	-	100	01.-04.7.2008.
	-	-	200	-	200	05.-31.7.2008.
Bulgaria > Romania	-	-	200	-	100	01.-31.7.2008.
Bulgaria > Greece	-	-	650	-	200	01.-31.7.2008.

OPS HEP - Croatia						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Croatia	-	-	-	-	500*	01.-31.7.2008.
Slovenia > Croatia	-	-	-	-	100	01.-31.7.2008.
Serbia > Croatia	-	-	-	-	0	01.-31.7.2008.
BIH > Croatia	-	-	-	-	50	01.-31.7.2008.
<b>EXPORT</b>						
Croatia > Hungary	-	-	-	-	200*	01.-31.7.2008.
Croatia > Slovenia	-	-	-	-	50	01.-31.7.2008.
Croatia > Serbia	-	-	-	-	0	01.-31.7.2008.
Croatia > BIH	-	-	-	-	0	01.-31.7.2008.

\* Common auction conducted by MAVIR

MAVIR - Hungary						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > Hungary	600	200	400	200	200	01.-31.7.2008.
Romania > Hungary	350	100	250	175	75	01.-31.7.2008.
Serbia > Hungary	250	100	150	125	25	01.-31.7.2008.
<b>EXPORT</b>						
Hungary > Croatia	1150	200	950	450	500	01.-31.7.2008.
Hungary > Romania	400	100	300	175	125	01.-31.7.2008.
Hungary > Serbia	500	100	400	225	175	01.-31.7.2008.

\* Common auction conducted by MAVIR

MEPSO - Macedonia						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Macedonia	380	100	280	140	0	01.-31.7.2008.
Greece > Macedonia	300	100	200	0	0	01.-31.7.2008.
<b>EXPORT</b>						
Macedonia > Serbia	380	100	280	50	90	01.-31.7.2008.
Macedonia > Greece	100	100	40	0	0	01.-31.7.2008.

TSO EPCG - Montenegro						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Albania > Montenegro	-	-	-	-	100	01.-31.7.2008.
BIH > Montenegro	-	-	-	-	85	01.-31.7.2008.
Serbia > Montenegro	-	-	-	-	10	01.-31.7.2008.
<b>EXPORT</b>						
Montenegro > Albania	-	-	-	-	50	01.-31.7.2008.
Montenegro > BIH	-	-	-	-	165	01.-31.7.2008.
Montenegro > Serbia	-	-	-	-	90	01.-31.7.2008.

Transelectrica - Romania						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Bulgaria > Romania	300	100	200	100	100	01.-31.7.2008.
Serbia > Romania	200	100	100	100	0	01.-31.7.2008.
	0	0	0	0	0	12.-13.7.2008.
	200	100	100	100	0	14.-31.7.2008.
Hungary > Romania	400	100	300	50	250	01.-13.7.2008.
	0	0	0	0	0	14.-19.7.2008.
	400	100	300	50	250	20.-21.7.2008.
	0	0	0	0	0	22.-25.7.2008.
	400	100	300	50	250	26.-31.7.2008.
Ukraine > Romania	250	100	150	100	50	01.-02.7.2008.
	200	100	100	100	0	03.-11.7.2008.
	275	100	175	100	75	12.-19.7.2008.
	200	100	100	100	0	20.-21.7.2008.
	275	100	175	100	75	22.-25.7.2008.
	200	100	100	100	0	26.-31.7.2008.
<b>EXPORT</b>						
Romania > Bulgaria	200	100	100	100	50	01.-02.7.2008.
	400	100	300	100	200	03.-19.7.2008.
	300	100	200	100	100	20.-21.7.2008.
	400	100	300	100	200	22.-31.7.2008.
Romania > Serbia	200	100	100	100	0	01.-04.7.2008.
	350	100	250	100	150	05.-11.7.2008.
	0	0	0	0	0	12.-13.7.2008.
Romania > Hungary	350	100	250	100	150	14.-31.7.2008.
	200	100	100	100	0	01.-02.7.2008.
	350	100	250	100	150	03.-13.7.2008.
	0	0	0	0	0	14.-19.7.2008.
	200	100	100	100	0	20.-21.7.2008.
Romania > Ukraine	0	0	0	0	0	22.-25.7.2008.
	350	100	250	100	150	26.-31.7.2008.
	0	0	0	0	0	01.-02.7.2008.
	150	100	50	0	50	03.-13.7.2008.
Romania > Ukraine	0	0	0	0	0	14.-25.7.2008.
	150	100	50	0	50	26.-31.7.2008.

EMS - Serbia						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Serbia	-	-	-	-	200	01.-31.7.2008.
Romania > Serbia	-	-	-	-	50	01.-04.7.2008.
	-	-	-	-	125	05.-11.7.2008.
	-	-	-	-	0	12.-13.7.2008.
	-	-	-	-	125	14.-31.7.2008.
Bulgaria > Serbia	-	-	-	-	50	01.-04.7.2008.
	-	-	-	-	100	05.-31.7.2008.
Macedonia > Serbia	-	-	-	-	140	01.-31.7.2008.
Albania > Serbia	-	-	-	-	105	01.-31.7.2008.
Montenegro > Serbia	-	-	-	-	150	01.-31.7.2008.
BiH > Serbia	-	-	-	-	50	01.-15.7.2008.

## Danube water-level in cm for last 30 days

EMS - Serbia						July 2008
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Serbia	-	-	-	-	50	01.-31.7.2008.
EXPORT						
Serbia > Hungary	-	-	-	-	75	01.-31.7.2008.
Serbia > Romania	-	-	-	-	50	01.-11.7.2008.
	-	-	-	-	0	12.-13.7.2008.
	-	-	-	-	50	14.-31.7.2008.
Serbia > Bulgaria	-	-	-	-	25	01.-31.7.2008.
Serbia > Macedonia	-	-	-	-	140	01.-31.7.2008.
Serbia > Albania	-	-	-	-	75	01.-31.7.2008.
Serbia > Montenegro	-	-	-	-	55	01.-15.7.2008.
	-	-	-	-	95	16.-31.7.2008.
Serbia > BiH	-	-	-	-	25	01.-15.7.2008.
	-	-	-	-	50	16.-31.7.2008.
Serbia > Croatia	-	-	-	-	50	01.-31.7.2008.

relevant for:

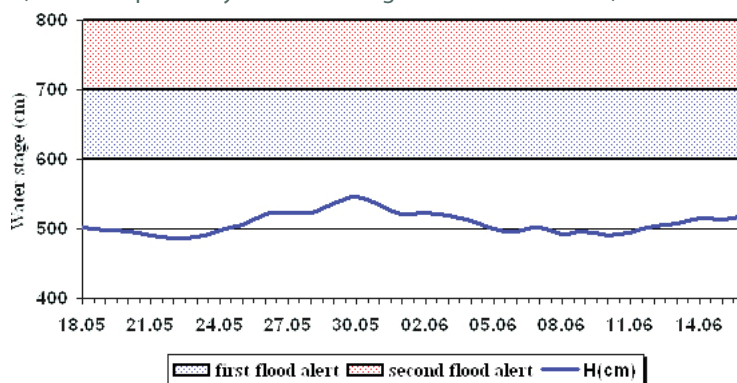
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

(source: Republic Hydrometeorological Service of Serbia)



- 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)

## Forecasted weather conditions for the following period

	17.6.	18.6.	19.6.	20.6.	21.6.	22.6.	23.6.	24.6.	25.6.	June averages.
<b>Albania</b> <i>Tirana</i>	T: 16-32 W: SW 15 R: -	T: 17-32 W: SW 17 R: -	T: 18-32 W: NW 11 R: -	T: 18-33 W: NW 10 R: -	T: 19-34 W: NW 13 R: -	T: 22-34 W: NW 9 R: -	T: 22-35 W: W 6 R: -	T: 22-35 W: L-V R: -	T: 23-36 W: W 7 R: -	Temperature: 15-27 Amount of rain: 80 Number of rain days: -
<b>Bosnia and Herzegovina</b> <i>Sarajevo</i>	T: 9-31 W: SW 10 R: -	T: 11-28 W: W 5 R: -6	T: 9-27 W: - R: -	T: 12-28 W: - R: -	T: 12-30 W: L-V R: -	T: 13-31 W: - R: -	T: 14-31 W: - R: -	T: 13-31 W: - R: -	T: 13-25 W: L-V R: -	Temperature: 11.4-23.1 Amount of rain: 91 Number of rain days: 11
<b>Bulgaria</b> <i>Sofia</i>	T: 13-27 W: SW 5 R: -	T: 15-28 W: SW 10 R: -	T: 13-27 W: N 5 R: -	T: 17-28 W: L-V R: -	T: 17-29 W: NE 4 R: -	T: 16-28 W: NE 5 R: -	T: 16-29 W: - R: -	T: 16-30 W: - R: -	T: 15-31 W: L-V R: -	Temperature: 12-23.5 Amount of rain: 75 Number of rain days: 13
<b>Croatia</b> <i>Zagreb</i>	T: 16-31 W: S 6 R: -	T: 17-30 W: NW 4 R: -	T: 17-30 W: L-V R: -	T: 18-30 W: N 6 R: -	T: 19-32 W: W 6 R: -	T: 17-30 W: L-V R: -	T: 17-29 W: L-V R: -	T: 17-31 W: N 7 R: -	T: 15-21 W: N 15 R: -	Temperature: 12.7-24.6 Amount of rain: 99.3 Number of rain days: 13
<b>Greece</b> <i>Athens</i>	T: 21-31 W: NW 12 R: -	T: 23-34 W: NW 13 R: -	T: 25-32 W: NW 12 R: -	T: 22-33 W: NW 16 R: -	T: 23-31 W: NW 18 R: -	T: 23-31 W: NW 19 R: -	T: 22-32 W: NW 16 R: -	T: 23-33 W: NW 23 R: -	T: 23-32 W: NW 22 R: -	Temperature: 18-31 Amount of rain: 10 Number of rain days: 4
<b>Macedonia</b> <i>Skopje</i>	T: 10-29 W: SW 10 R: -	T: 13-30 W: SW 15 R: -	T: 12-31 W: NW 5 R: -	T: 16-31 W: N 4 R: -	T: 16-32 W: L-V R: -	T: 15-32 W: N 4 R: -	T: 15-32 W: - R: -	T: 14-33 W: L-V R: -	T: 12-30 W: W 5 R: -	Temperature: 13-27.5 Amount of rain: 46 Number of rain days: 10
<b>Montenegro</b> <i>Podgorica</i>	T: 15-29 W: SW 15 R: -	T: 17-29 W: SW 13 R: -	T: 18-31 W: NW 8 R: -	T: 18-33 W: NW 8 R: -	T: 17-33 W: W 11 R: -	T: 16-34 W: NW 5 R: -	T: 19-35 W: W 4 R: -	T: 17-35 W: SW 3 R: -	T: 16-32 W: NW 3 R: -	Temperature: 17.5-28 Amount of rain: 63 Number of rain days: 8
<b>Romania</b> <i>Bucharest</i>	T: 16-31 W: - R: -	T: 18-33 W: S 3 R: -	T: 17-32 W: - R: -	T: 18-32 W: - R: -	T: 19-34 W: L-V R: -	T: 19-32 W: - R: -	T: 18-34 W: - R: -	T: 21-34 W: - R: -	T: 20-32 W: - R: -	Temperature: 14-27 Amount of rain: 77 Number of rain days: 6
<b>Serbia</b> <i>Belgrade</i>	T: 16-32 W: SW 15 R: -	T: 18-33 W: SW 10 R: -	T: 17-32 W: NW 6 R: -	T: 19-32 W: N 5 R: -	T: 21-34 W: S 5 R: -	T: 21-33 W: NE 5 R: -	T: 20-34 W: - R: -	T: 20-33 W: SW 6 R: -	T: 21-26 W: NW 10 R: -	Temperature: 15-25 Amount of rain: 90 Number of rain days: 14

T: Temperature in celsius degrees

W: Wind speed in km/h, S – South, W – West, N – North, E – East and variables;“-” - no wind;“L-V” - Light and variable

R: Rain in mm

S: Snow in mm

**Analysis:****Tender for construction of CCHPP in Skopje, Macedonia**

In this issue we will present you review of actual tender for construction of CCHPP "Energetika", in capital of Macedonia, Skopje. After several announcements, tender was published on 11th of March 2008. This project is considered as priority for new generation capacities in Macedonia for next several years.

**Technical data:**

Future Combined Cycle Heat and Power Plant (CCHPP) "Energetika" will be located in industrial eastern Skopje, capital of Macedonia, near existing heating plant owned by "Toplifkacija AD, which was built in 1967. Elevation of construction site is 250 meters above sea level, and it is well connected with roads and nearby railway. Largest river in Macedonia, Vardar, flows through Skopje, on elevation of 240 meters above sea level, with an average flow of 58 m<sup>3</sup>/s. Consumption of raw water per day for the needs of CCHPP "Energetika" is estimated to 2700 m<sup>3</sup>. Current natural gas pipeline that runs through Skopje has 12 bars of pressure, while main gas substation is located up to 1.5 km from construction site.

**Developments before actual tender from March 11th 2008**

In December 2006, plans for construction of new CCHPP near Skopje were revealed. The power plant was supposed to be built in cooperation with foreign strategic partner, and it should have power output of 195 MW, with annual production of 1.52 TWh of electricity and 500 GWh of heat energy. The worth of the project is estimated at 137 million EUR, and the plant would be built in period of two and a half years. New CCHPP was to be built in eastern part of the capital, in industrial zone, where suitable infrastructure for new power plant already exists. Estimations showed that Skopje would need additional 100 to 150 MWh of heat energy and 150 to 200 MWh of electricity in the next 10 years. Tender was expected to be published by the end of the 2006, or in beginning of 2007.

Officially, In early March 2007, Director of Macedonian power plants (ELEM), Vlatko Cingovski, announced that international tender for construction of natural gas fired thermal power plant (CCHPP) in Skopje would be launched in April 2007 at the latest.

First company to respond and announce building of new CCGT was Sintez (Russia). The general manager of Sintez, Andrej Korablev, met the prime minister of Macedonia, Nikola Gruevski, in Skopje in the end of March. The Sintez and government of Macedonia have signed the agreement for construction of power plant, by which TPP should be built within 26 months. The supplier of natural gas was to be Gazprom, which should provide some 400 million cubic meters of natural gas per year. New power plant should have 200 MW of electricity output and 160 MW of heat output. General manager of Sintez rejected rumors that Gazprom stands behind this projects, saying

that Gazprom would be only the supplier of natural gas. Project was never realized, and later, in January 2008, vice prime minister, Zoran Stavrevski announced new 300 MW project.

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 was to 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 EUR.

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

**Actual tender for construction of CCGT "Energetika", Skopje****General:**

Tender was published on 11th of March 2008, for financing, construction and operation of the combined cycle heat and power plant "Energetika", as a partner in Joint Venture Company with "Elem".

The new power plant should have minimum installed capacity of 300 MW for generation of electric power and maximum installed capacity of 150 MW for generation of thermal power. The works, subject of the contract, will comprise the main design, construction, delivery, installation, testing and commissioning of the power plant, on the turn key basis, as well as financing of the project and operation of the power plant as a part of the joint venture company together with ELEM. This is public and anonymous tender, and it is open for all interested local and foreign companies and consortia. Planned period for construction CCHPP shall not be longer than 30 months. Application date for site visit has been finished on 14th of April.

**Joint venture:**

The offered participation of ELEM expressed in percentage, on base of the evaluated value of the existing facilities, infrastructure and equipment of "ELEM" in the Subsidiary "Energetika", shall not be less than 15%, while the Government of Republic of Macedonia, through "ELEM" retains the right to increase its participation in the project to 51% with additional investments. The management of the Company shall be determined with the Joint Venture Agreement.

**Generation:**

The Company shall be obliged to offer the generated electric power in the CCHPP first at the domestic electricity market,

and if there is no interest for the same, the Company shall be entitled to sell the electric power at the regional energy market, at same or higher price in respect of the one that was offered at the domestic market.

#### Participation criteria:

In order to participate at the Tender, the applicant must present:

- verifiable evidence that company/consortium has completed 2 combined "HEAT + POWER" projects in the last 10 years;
- verifiable evidence that has completed 500 MW of installed capacity in the combined "HEAT + POWER" projects in the last 10 years;
- evidence that company/consortium operate or own, at least 1000 MW of Natural Gas turbine fueled plants
- verifiable evidence that has average annual turnover of 300 million EUR or equivalent, in the last 5 years;
- positive audited reports for the last three fiscal years, issued by an independent and eminent audit institution;
- verifiable evidence that has taken activities for securing the supply of natural gas in the planned quantities for secured operation of the CHPP in form of: letter of intent; pre-agreement; contract agreement; etc.;
- tender security in the form of a First Class Bank guarantee acceptable to JSC ELEM for an amount of 5.000.000 EUR

#### Evaluation criteria:

1. Offered participation of ELEM, presented as a percentage, on base of the evaluated value of the existing facilities, infrastructure and equipment owned by JSC ELEM in the subsidiary "Energetika" that JSC ELEM invests in the construction of the new power plant – 80 points
2. Planned investment per MW installed capacity – 20 points

#### Obtaining of tender documentation:

The tender documentation may be obtained from the office at the address below, working day from 10.00 to 13.00 hours, till the deadline. Applicant must submit evidence for payment of a non-refundable fee of 500 EUR, or equivalent in denars, in favor of:

Bank: Stopanska Banka A.D. - Skopje  
 11 Oktomvri 7, 1000 Skopje, R Makedonija  
 Beneficiary: AD Elektrani na Makedonija  
 Note: Tender Documentation for Construction and Operation of CCHPP Energetika/International Public Invitation No. 01/2008  
 In EUR: 500,00 In Denars: 31.000,00  
 SWIFT: STOB MK 2X Tax No: MK4030005560757  
 Iban MK No 07200012282402959 Stopanska Banka  
 Acc. No: 0122824029 / EUR 200001172378658

#### Deadline:

Applications for participation at this Public Invitation must be duly completed and delivered on or before 11:00 AM local time on 2nd of July 2008 (Wednesday). Applications shall be delivered to the following address:  
 AD "ELEKTRANI NA MAKEDONIJA"  
 11 Oktomvri, 9  
 1000 Skopje, Republic of Macedonia

#### Contact:

Mr. Nikola Rupev  
 AD ELEKTRANI NA MAKEDONIJA  
 11 Oktomvri 9  
 1000 SKOPJE  
 R. MACEDONIA  
 Phone: +389 (0)2 31 49 134/ 31 49 166  
 Fax: +389 (0)2 31 49 176  
 E-mail: energetika@elem.com.mk

#### News:

#### Decision on construction of PEOP in 2009 (Region)

The interstate committee for the Pan European oil pipeline (PEOP) held a meeting in Belgrade on June 4.

Deputy Minister of energy and mining of Serbia, Slobodan Sokolovic said that final decision of whether the oil pipeline will be built would be reached in 2009.

The project company for PEOP should be registered in London in the second half of June, in accordance to agreement signed by Serbia, Croatia and Romania in Bucharest in April.

Italy and Slovenia, who also signed ministerial declaration for supporting the PEOP in Zagreb last year, are also involved in the project. Italy officially confirmed support for the project, while Slovenia still needs to reach final standpoint regarding its participation.

Sokolovic, who will be the new head of the interstate committee during the year period, says the main task of the project company will be to organize investors' conference, which will be vital for start of the project. In the same time, committee will be obliged to establish contacts with oil producers in Caspian region and Russia and to define the transport capacity of the pipeline.

Serbian officials believe that PEOP will bring security in supply for two Serbia's oil refineries.

The official from Croatian ministry of economy, Damir Stambuk, said the Croatia supported the project from the very be-

gining and took active part in it. Croatia believes that diversification of oil supply is very important, Stambuk said.

Nicola Mongelli, Italian representative in the committee, said the PEOP is important for Italy, since Italy is link for almost all major pipelines in Europe. EU supports this project since it could solve problems for many countries in Europe, Mongelli said.

According to Sokolovic, there will be no problems with the funding of the project, but the key issue will be who will use PEOP and who will provide oil supplies. The construction of PEOP should be financed through long-term agreements for usage of the pipeline, which should be signed during Serbia's presidency, Sokolovic said.

He reminded that, during the Romania's presidency, it was agreed in principle that Kazakhstan and Azerbaijan would provide some 50 million tons of oil for PEOP.

The participants of the Belgrade meeting proposed to hold presentation of the project during the EU Council of Energy Ministers, which will be held in Brussels on June 27.

Sokolovic in fact recently confirmed announcements that EU could include PEOP into the TEN Energy Trans-European Energy Networks (TEN).

The PEOP should be some 1,400km long, where annual transport capacity should be 60-90 million tons. The pipeline should transport crude oil from Caspian region toward Europe. The cost of the project is estimated at 3.5 billion dollars.

§ § §

### **Tender for enecricity import finished (Albania)**

Swiss EGL is the winner of tender for purchase of missing quantities of energy for the period from 1st of July till 31st of Decembre. 833 GWh is to be imported, with the budget of 77 million EUR. EGL has offered 80.9 EUR/MWh, while 2nd ranked „Rudnap“ offered 82.2 EUR/MWh.

Total 7 companies applied for biding procedure: 3 from Serbia, 2 from Switzerland, 1 from Czech republic and 1 from Albania.

§ § §

### **Albania to invite 4 companies for sale of distribution branch of KESH (Albania)**

Albania has selected 4 companies to take part in tender for controlling stake in distribution branch of KESH, OSSH. Selected companies are Italian Enel, Czech CEZ, Austrian EVN and Energy Steirmark.

“The Economy, Trade and Energy Minister will send an official invitation to these companies to present their offers,” Energy Ministry spokeswoman Iva Tiko told reporters.

Between 51 and 76 percent of OSSH will be sold to foreign investor. As a reminder, In January 2007, Albania hired the International Finance Corporation to prepare a plan for the restructuring of OSSH. OSSH has 140 million EUR debts.

§ § §

### **PM Sali Berisha received representatives of the PPC-RWE-Titan consortium (Albania)**

Albanian Prime Minister Sali Berisha has received representatives of the PPC, RWE and Titan consortium, which showed its interest to build a coal fired TPP on Albanian soil. Consortium intends to build a 500 to 800 MW TPP in Porto Romano, near Durres city. Consortium was headed by director of PPC, Mr. Takis Athanasopoulos.

As a reminder, In April PPC has decided to sign a deal with RWE, by which they would jointly build a coal fired TPP in Albania. By this agreement, RWE would have 51% in the project, while PPC will have 39% and Greek cement company „Titan“, 10%.

Italian ENEL has also expressed their intentions for similar project, so Albanian government will have to select more suitable option. PM Berisha also met Mr. Fulvio Conti, representative of ENEL, who intends to build 600 to 1400 MW coal fired TPP, also in Porto Romano.

§ § §

### **Government negotiates with CEZ on TPP Gacko; prime minister confirmed there are several other alternatives (Bosnia and Herzegovina)**

Prime minister of Republic of Srpska (RS) Milorad Dodik said that government has been negotiating with Czech CEZ regarding the investments in coalmine and thermal power plant (TPP) Gacko, but there are several other alternatives. Dodik did not give the details on those alternatives.

Answering the remarks of the MPs in the parliament, that public has not been presented a report on investments of CEZ in TPP Gacko, Dodik said that TPP was not privatized, but only two companies merged their capital. Opposition MPs accused government that non-publishing the business plans of CEZ caused collapse of Banja Luka Stock Exchange

The prime minister earlier confirmed that feasibility study regarding the investments in TPP Gacko had been completed. The study should answer the question whether Power utility of RS (ERS), TPP Gacko and CEZ could make joint investments.

According to Dodik, RS needs to find solution for development of TPP Gacko due to outdated technology of the plant and the fact that coalmine is nearly exhausted.

Dodik faced harsh critics after the government and CEZ signed cooperation agreement for construction of new unit in TPP

Gacko. Small shareholders in the TPP and coalmine accused government that agreement was non-transparent and against their interests.

The joint venture called New power plants of RS (NERS) was established for the purpose of the project in the end of 2006. The cost of construction of new 660 MW unit, renewal of old 250 MW unit and enlargement of the coalmine is estimated at 1.4 billion euros.

§ § §

### **205 million euros paid for import of oil derivatives (Bosnia and Herzegovina)**

In the first four months 2008, Bosnia and Herzegovina paid 205 million euros for import of oil derivatives. In the same period, export of oil derivatives, which exclusively referred to motor oil exported by refinery in Modrica, reached 4.5 million euros.

The import was 67.5 % higher comparing to the same period last year, while export was 20.6 % higher. The most of the import or some 80 % came from oil refineries in Croatia and from the companies that use oil terminals in Croatia (which mostly sell oil derivatives from OMV's refineries in Turkey and Italy). The rest of the oil is imported from MOL and from oil refineries in Serbia.

§ § §

### **Officials from Zarubezneft to visit RS in June (Bosnia and Herzegovina)**

The prime minister of Republic of Srpska (RS) Milorad Dodik confirmed that the management of Russian oil company Zarubezneft should visit capital of Banja Luka by the June 20 at the latest in order to reactivate privatization contract for oil refinery in Brod.

PM said the privatization of oil refinery was in accordance to procedures. The Russians have paid 126 million euros for the state owned shares in the company, while the new owner still needs to pay refinery's debt of 72.5 million euros.

Dodik confirmed that privatization process was slowed down due to managerial changes in Zarubezneft. In the same time, the start of production in refinery was delayed since the facilities were outdated more than it was originally believed. When the renewal of old processing line is finished, the refinery will be able to produce 1.2 million tons oil fuel per year.

The contract for privatization of oil refinery in Brod, motor oil refinery in Modrica and fuel distributor Petrol was signed in February last year. The new owner of oil companies in RS became NefteGazInkor, the subsidiary of Zarubezneft. Russians were obliged to pay 126 million euros for government's shares and to invest some 980 million euros in those three companies.

§ § §

### **Unit 1 in HPP Jablanica put in service (Bosnia and Herzegovina)**

In the beginning of June, renewed unit 1 in hydropower plant (HPP) Jablanica was put in trial operation. By this, the renewal of the HPP was completed, where overall power output of the plant was increased by 30 MW up to 180 MW.

Power utility of Bosnia and Herzegovina (EP BiH) invested 22 million Swiss francs of loans and 18 million euros of its own funds for the renewal.

The project included renewal of all six units in the HPP, where entire electromechanical equipment was replaced. The renewal should prolong operational life of the HPP by 30 years

HPP Jablanica, located on Neretva River, was built in 1950s. The annual electricity production of the plant reaches 770 GWh.

EP BiH announced start of similar renewal projects in HPPs Grabovac (105 MW) and Salakovac (210 MW).

§ § §

### **Government finished audit of potential strategic partners in energy projects (Bosnia and Herzegovina)**

Federal ministry of energy, industry and mining confirmed it had fulfilled the demand of parliament of Federation of Bosnia and Herzegovina (F BiH) regarding the additional analyses of solvency of selected strategic partners in the projects for construction of eight new power plants.

In November last year, the government of Federation of BiH selected Austrian APET Group, German EnBW and KazTrans-Gas from Kazakhstan to be the strategic partners in 3.5 billion euros worth projects for construction of new power plants. After the disputes between leading political parties, which were followed by media campaign, the procedure was postponed in February this year. The parliament decided that the government should perform additional analyses and studies related to the projects

The ministry selected auditor house OSTAP from Austria, who concluded that government had selected strategic partners through high quality tender procedure. Auditors said that potential partners are respectable companies, desirable as potential investors, minister of energy Vahid Heco said in an interview to local press.

Heco said that results on solvency and eligibility of selected strategic partners were submitted to parliament, which should reach the final decision regarding the start of new projects.

§ § §

### **EFT acquired ecological permit for TPP Stanari (Bosnia and Herzegovina)**

In mid June, EFT Group was granted ecological permit for the construction of thermal power plant (TPP) Stanari. According to license, the new facility will fully meet EU ecological standards.

The license was issued by ministry of physical planning, civil engineering and ecology of Republic of Srpska.

EFT said the permit was the first of a kind issued for the purpose of construction of new power plant in the Western Balkans and it should represent a turning point in construction of power plants in the region.

TPP will use the latest technology that will enable efficient utilization of primary energy resources, with minimum emission of harmful gasses. The TPP will be the cleanest facility in terms of ecology in the region, EFT said.

The TPP Stanari with 420 MW power output should produce some 3 TWh of electricity per year or some 25 % of present electricity output in Bosnia and Herzegovina.

§ § §

### **The intake tunnel for HPP Mostarsko Blato completed (Bosnia and Herzegovina)**

On June 6, the final section of the 2,200m long intake tunnel of the future hydropower plant (HPP) Mostarsko Blato was completed. This was confirmed by the Power utility of Herzegovina (EP HZHB) in the press release. The tunnel will be also used for discharging of the precipitation from Mostarsko Blato field.

The HPP Mostarsko Blato will have two 30 MW units, and annual electricity production should reach 170 GWh. The cost of the project should reach some 70 million euros. The construction works started in September last year, and the first unit should be put in service in the beginning of 2009.

By putting in service new power plant, the electricity production of EP HZHB will be increased by 10 %, which will reduce electricity deficit in Herzegovina entity.

§ § §

### **BNP Paribas and NEK agreed on financing of construction of NPP Belene (Bulgaria)**

French bank BNP Paribas and National electric company (NEK) signed the contract for financing the construction of nuclear power plant (NPP) Belene. The contract was signed on June 4, which was the deadline set in the tender. The overall worth of the project is estimated between 4 and 6 billion euros.

BNP Paribas should arrange most of the necessary funds needed for the project. The smaller part of the funds will be provided through loans of Euroatom and European investment bank.

The contract was signed after media published rumors that BNP could withdraw from the project.

NEK recently said that BNP Paribas had confirmed that some 70 financial institutions are interested in providing the funds for the project. The providing of the loan will be carried out in three phases. During the first phase, parameters of the financial model should be sent to partner banks. The offers of the banks should be evaluated until February 2009. Deadline for signing the final agreement for financing the project should be signed in October 2009.

NEK said it could be able to get the more favorable interest rates if the state of Bulgaria provided higher guarantees. In this moment, the state envisaged 600 million euros in the state budget for this purpose.

In the same time, by June 23, two candidates for acquiring 49 % stake in the NPP, RWE and Electrabel, should submit their final bids.

§ § §

### **Russia ready to fund construction of NPP Belene (Bulgaria)**

CEO of Rosatom Sergei Kirienko and officials of AtmoStroyExport, the future constructor of the nuclear power plant (NPP) Belene, said during the meeting with Bulgarian energy and economy minister Petar Dimitrov that they are ready to fund construction of the NPP.

Earlier in this year, Russian president at the time, Vladimir Putin, confirmed that Russia is willing to provide 3.8 billion euros for the project.

Bulgarian minister said that this latest meeting showed there was no any kind of problems related to funding of the project. Dimitrov repeated that construction works should start in the next year, while, in this year, the concrete plateau for the NPP should be built.

Minister admitted that there are still problems with European Commission (EC) related to agreement for storage of spent nuclear fuel between Bulgaria and Russia. The particular agreement should have been signed in the beginning of this year, but this was not the case after EC filed some objections. Bulgaria and Russia should prepare new agreement, where most important changes should be related to NPP Belene. Two sides said that Russia is ready to accept the spent nuclear fuel.

§ § §

### **Unit 5 in NPP Kozloduy out of service due to regular maintenance works (Bulgaria)**

In accordance to plans, 1,000 MW unit 5 in nuclear power plant (NPP) Kozloduy was disconnected from electricity grid for the purpose of regular annual maintenance in the beginning of June. In the same time, unit 6 was operating at 100 % power.

During the standstill, the regular maintenance and repairs of the equipment will be made, while the reactor will be loaded with new nuclear fuel. The unit should be put in operation in the beginning of August.

Official data showed that until June 2, NPP Kozloduy produced 7.47 TWh of electricity, which was equal to 6-months production target in this year. The plan was met earlier than planned due to reliable and efficient operation of units 5 and 6, the company said.

§ § §

### **Kovachki announced to build two new units in TPP Bobov Dol (Bulgaria)**

The owner of Minna Kompania EOOD Nikifor Vangelov said his company would build two new 200 MW units in thermal power plant (TPP) Bobov Dol if they purchase the plant.

The Vangelov's company is one of two competitors in the future auction sale of TPP Bobov Dol. He also announced that Minna Kompania would invest funds in desulphurization equipment in the TPP and that the main aim would be to increase power output of the TPP at 1,000 MW.

The second candidate for purchase of the TPP, Consortium Energia MK AD, owned by local businessman Hristo Kovachki, also announced to build two new 200 MW units.

According to Bulgarian media, similar plans of two companies have not happened by chance, since both companies are linked to Kovachki.

The sources said that Kovachki does not own a capital in Minna Kompania, but Vangelov is the deputy chair in supervision board of Municipal bank and the member of the management of supermarket chain Europa, which are both owned by Kovachki.

The auction sale of TPP Bobov Dol should take place on June 24, and the initial price for 100 % shares is set at 51 million euros.

§ § §

### **Signing the protocol with Azerbaijan regarding natural gas supplies (Bulgaria)**

Bulgarian minister Petar Dimitrov and its Azerbaijani counterpart Natic Aliev signed the protocols of intention according to which Azerbaijan could provide 1 billion cbm of natural gas

per year for Bulgaria. The protocol should be followed by signing the cooperation agreement.

The protocol envisaged that two national gas companies, Bulgargaz and GNKAR, would start negotiations for supply of natural gas.

Dimitrov also said that natural gas from Azerbaijan to Bulgaria should be transported through existing pipelines but also through future Nabucco pipeline and through link with Turkey-Greece-Italy pipeline.

The protocol also envisages that Bulgaria will transit Azerbaijani natural gas to Europe, while Azerbaijan will allow Bulgarian companies to take part in oil and natural gas projects in its territory.

Minister Dimitrov confirmed that Bulgaria would support Azerbaijan's participation in Nabucco project. Minister also said that Azerbaijan could provide only one third of necessary quantities for Nabucco pipeline, so that negotiations with other suppliers should take place.

§ § §

### **Three bids for consultant for energy holding (Bulgaria)**

Three companies have submitted bids for implementation of model of new energy holding and restructuring and consolidation of state owned energy companies, the National electric company (NEK), Bulgargaz, nuclear power plant (NPP) Kozloduy, thermal power plant (TPP) Maritsa Iztok 2 and coal-mine Maritsa Iztok into the holding.

The bids for the consultant are submitted by Deloitte Bulgaria, Bulbrokers Consulting and Euroaudit BX. Deloitte Bulgaria was previously involved in preparation of the model for merger of five abovementioned companies.

The launching the tender is a new step in the project for establishment of energy holding, aimed to ensure security in energy supplies and to provide necessary investments in new energy facilities.

The government submitted all necessary documents to Commission for Protection of Competition (CPC) in order to assess proposed model for energy holding.

§ § §

### **Regulator to approve 14 -18 % increase in electricity prices from July, government called for smaller increase (Bulgaria)**

The head of State Energy and Water Regulatory Commission (SEWRC), Konstantin Shushulov said that SEWRC could accept demands of the government regarding the reduction of announced increase in electricity and heating prices.



In the beginning of June, Shushulov announced that electricity prices would rise between 14 and 18 % starting from July 1. The customers supplied by CEZ should pay 16 % higher electricity prices, while customers supplied by EVN should pay 14.6 % higher prices. The customers supplied by E.ON should face 17.8 % increase in prices, the official said at time. In the same time, heating prices should be increased by 14 %, SEWRC announced.

After the meeting with prime minister Sergey Stanishev and minister of economy and energy Petar Dimitrov, Shushulov said that SEWRC could reduce increase in electricity prices down to 12-13 %.

Prime Minister Stanishev appealed to SEWRC to reduce planned increase in electricity prices, while minister Dimitrov believes that increase in prices should be reduced by 7 %. This should be done in order to protect citizens and to ease inflation, minister said.

Minister Dimitrov said that increase in electricity prices could be reduced through usage of considerable reserves in the production chain. Dimitrov demanded that increase in network fee paid by electricity distributors to National electric company (NEK) should be 10 % instead of proposed 13 %, while increase in tariffs for power plants should be reduced by 5 % (regulator proposed 20-25 % increase).

Ministry established a team that will have negotiations with SEWRC in the incoming days in order to avoid high increase in prices. The SEWRC should reach final decision regarding the new electricity and heating prices on June 26.

§ § §

### **Government established working group for development of NPP Kozloduy (Bulgaria)**

Prime Minister Sergey Stanishev has appointed a working group, the task of which will be to prepare development strategy for nuclear power plant (NPP) Kozloduy. The workgroup will be headed by deputy minister of economy and energy Galina Tosheva.

The experts are obliged to make detail analyses regarding Bulgaria's commitments toward European Commission (EC) and other international institutions in relation to shutdown of units 3 and 4. The main task would be to evaluate possibilities for restarting the decommissioned units in the NPP.

As a reminder, closure of units 3 and 4 was perceived by most of Bulgarians as unfair, after which many politicians initiated various campaigns for restart of the units. After units were shutdown, Bulgaria lost its position of main electricity exporter in the region.

In the same time, local press quoted reliable sources that latest appointment of working group for NPP Kozloduy is also aimed to develop plans for construction of seventh unit in the plant. Head of working group, Galina Tosheva confirmed they would

analyze options for unit 7. He refused to give more details regarding this issue.

Idea for construction of new 1,000 MW unit was mentioned by the director of NPP Ivan Genov in the beginning of year. The feasibility studies for construction of unit 7 in NPP Kozloduy were made eight years ago.

Nuclear expert, Georgi Kaschiev, who is strongly against construction of NPP Belene, believes that construction of new unit in Kozloduy would be more reasonable and more cost effective.

§ § §

### **Adria LNG consortium in favor of construction of LNG terminal in Omisalj (Croatia)**

Michael Mertl, the general manager of Adria LNG consortium, confirmed the consortium believes that Omisalj on island of Krk would be the best construction site for liquefied natural gas (LNG) terminal in Croatia.

Mertl said the cost of the project could reach even 1 billion euros. The project is unique chance for Croatia in terms of development opportunities and it will be one of the largest Greenfield investments in the country, he said.

During the first phase of operations of the terminal, some 8-10 LNG tankers per month should arrive in Croatia, Mertl said. There would be no compromise in terms of security of the terminal, since they are meant to last 30 years, official concluded.

Adria LNG consortium was established by E.ON Ruhrgas, Total, RWE, OMV and Geoplin. The consortium invited Croatian companies to join the project, where Croatian oil industry (INA), Croatian power utility (HEP) and natural gas company Plinacro are expected to take a part in the project.

§ § §

### **OMV interested in purchase of shares of INA (Croatia)**

The recent announcements that Croatian oil industry (INA) and its minority owner, Hungarian MOL, could agree on swap of shares, resulted in 8 % increase of INA's shares worth.

In the same time, Croatian media published information that Austrian OMV, the biggest competitor of MOL, which was engaged in hostile takeover of MOL, could be also interested in purchase of shares in INA.

Spokesperson of OMV Thomas Huemer confirmed that OMV has been closely watching the latest developments in INA, but there were no official contacts with government of Croatia. Huemer said that OMV is interested in purchase of shares in INA.

Unofficial sources said that OMV could submit official request for purchase of 14-19 % shares in INA owned by the government and another 7 % of shares owned by War veterans' fund or, at least, OMV could initiate negotiations regarding purchase of shares.

Sources say that OMV could offer cash for shares, having in mind that company recently opened new 1.5 billion euros worth revolving credit line.

In this moment, the state controls 44.84 % stake in INA and privatization contract for INA needs to be reviewed after this stake drops below 50 %.

Prime Minister Ivo Sanader clearly said that state must not own more than 25 % stake in INA when Croatia becomes EU member. Because of that, the privatization of INA must be continued. He also announced that INA will not sell shares, yet it is seriously interested in share swap with MOL. In this way, the state of Croatia will remain the owner in INA.

The spokesperson of the government of Croatia said that there were no official contacts with OMV. In the same time, INA did not want to comment the latest speculations.

In the related news, European commission announced it would restart detailed verification of OMV's plans regarding takeover of MOL.

§ § §

### **Government adopted plans for development of natural gas pipeline network (Croatia)**

Government of Croatia confirmed it had accepted plans for further development of natural gas pipeline network. The main projects will be construction of two new pipeline routes, which will enable import of gas from Azerbaijan and from Russia.

By 2011, Croatia should finish the construction of natural gas link toward Hungary, through which the natural gas from Russia will be imported. The ministry of economy is obliged to start necessary cooperation with Hungarian counterpart.

The particular pipeline route should be linked with future liquefied natural gas (LNG) terminal, so that this route could be used for export of natural gas too, Croatian officials said.

The second supply route should be built under Adriatic-Ionian initiative, which envisages transport of natural gas from Azerbaijan to Albania. The pipeline route will split in two directions, where one route will go to Italy under the sea, while the second route will go also to Italy across Montenegro, Bosnia and Herzegovina and Croatia.

§ § §

### **20 % increase in electricity prices from July 1, subsidies for households (Croatia)**

Government of Croatia and Croatian power utility (HEP) agreed on compromise solution regarding the increase in electricity prices starting from July 1.

Electricity prices will be increased by 20 %, but the subsidy programme approved by the government will result in zero increase for some 47.3 % households, according to estimations.

In the beginning of June, HEP officially requested increase in prices of 54 % starting from July 1.

According to subsidy programme, the households are divided in four categories. The households with annual electricity consumption below 2,000 kWh will be entitled to pay electricity at old prices. The households with annual consumption between 2,000 and 2,500 kWh will pay electricity at 5 % higher prices, while households with consumption between 2,500 and 3,000 kWh per year will pay electricity at 10 % higher prices.

For all of these customers, the government will pay compensation to HEP. For this purpose, the government allocated some 23 million euros. The rest of the customers will pay electricity at new, 20 % higher prices.

Minister of finances Ivan Suker believes that new model will help underprivileged customers, but also should support electricity savings.

The government's officials said that request of HEP for increase in prices was justified having in mind increase in prices of natural gas (+56 %), coal (+60 %) and fuel oil (94 %) since 2005, the year the last increase in prices took place. In the same time, Croatia has been importing between 15 and 20 % of electricity, and price of electricity on power exchanges doubled in the same period.

§ § §

### **Lukoil could be interested in privatization of INA (Croatia)**

Director of Lukoil Croatia, Nikolay Ivchikov, said that Lukoil could be interested in cooperation with Croatian oil industry (INA) based on equal partnership. Ivchikov said that Lukoil would not compete for partnership, but it would gladly answer INA's call for cooperation.

The latest statement of Lukoil's official is the significant change in Lukoil's policy against INA.

In order to become important company in international terms, INA needs strong partner, where Lukoil has all necessary potentials to provide funds for modernization projects. Head of Lukoil Croatia believes that INA is desirable partner for large oil companies since it has its own refineries, large network of petrol stations, and access to sea roads.

INA should be privatized on stock exchange or through tender procedure, Ivchikov said. The latest announcement regarding

the swap of shares between INA and its strategic partner MOL is not a good option, since INA would not acquire significant funds in this way and MOL would not be interested in modernization of INA's refineries, the official believes. The right time for continuation of privatization of INA would be after Croatia becomes EU member, Ivchikov concluded.

§ § §

### **NPP Krsko in service after malfunction (Croatia)**

The nuclear power plant (NPP) Krsko, jointly operated by Croatia and Slovenia, was put in service on June 9 after the plant had been disconnected from power grid on June 4.

Officials from the plant said the malfunction was related to leak of cooling water of the reactor.

The malfunction in the NPP caused disturbance in Slovenia and neighboring countries, especially in Austria, which officials said that Slovenia did not give the proper information regarding the incident. Austria said that Slovenia's nuclear authorities described incident as a regular drill in the first moment.

On the other hand, Slovenian officials said that malfunction in the plant caused no danger for the people and that there was no any radioactive leak. Slovenian officials admitted that the false information regarding the incident in the NPP was caused by banal mistake, which was corrected immediately.

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### **DEPA signed an agreement with Edison (Greece)**

Greek gas company DEPA has signed an agreement with Italian Edison for the construction of underwater pipeline, called "IGI Poseidon"

Worth of this project is estimated to 500 million EUR. Length is expected to be 203 km. It will link Epirus (Greece) with Italian Apulia, and it would be connected from Greece-Turkey gas link. Each company will have 50% stake in new pipeline. DEPA representative, Mr. Makis Papageorgiou said that IGI Poseidon opens the door to supplying the large Western European markets with natural gas from Caspian countries.

The project is expected to start in 2012.

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### **Greek Mytilineos Group purchased 18 MW wind park (Greece)**

Greek Mytilineos Group has purchased four wind parks in Evia (central Greece) for 28 million EUR. Wind parks were purchased from Dong Energy. Total capacity of 4 wind parks is 18

MW. Mytilneos group already operates 27 MW in renewable energy sources.

"This acquisition is one more step toward the creation of a sizeable renewable and thermal asset portfolio in the newly liberalized Greek and regional markets", Mr. Evangelos Mytilineos, CEO of the Mytilineos Group said.

As a reminder, Mytilineos Group has 49.99% shares in Endesa Hellas.

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### **Tariff increase from 1st of July (Greece)**

PPC officials have announced possible retail price tariffs increase for 7% for house holds and 10% for industrial consumers.

On a meeting with shareholders, board of the PPC said that changes are needed to the energy sector's regulatory framework. Mr. Takis Athanassopoulos, head of the PPC told the shareholders that "PPC today absorbs the costs of external factors without having the ability to pass them on to the consumer", considering increase of fuel prices.

According to sources, PPC has asked government to change the energy sector's regulatory framework and to allow the company to pass on the costs of increased fuel charges to households.

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### **5 bids for Rhodes power plant (Greece)**

5 companies placed their bids in 2nd stage of the tender for construction of TPP Rhodes. Bidders are "Wartsila (Finland), Terna (Greece), Aktor-AEGEK-ENET consortium and Atermon-Prometheus Gas consortium. As a reminder, TPP should have around 120 MWh. 1st ranked bidder will be known in 3 months.

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### **Weekly auctions of night energy turned to daily auctions (Macedonia)**

Starting from 1st of July, MEPSO will shift from weekly basis to daily basis of night energy sale.

Regarding previous auctions, for the period from 16.06 till 22.06, energy was purchased by "Usje" and "Silmak". From offered 2450 MWh, Silmak has purchased 1421 MWh, while Usje purchased 490 MWh. Total incomes of Mepso from this auctions are 62 000 EUR.

On previous auction (09.06 till 15.06), MEPSO has sold 2450 MWh. "Usje" has purchased 490 MWh, while "Rudnap" purchased 1960 MWh.

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### **Investments in distribution network (Macedonia)**

EVN Macedonia revealed details about investments in Macedonian distribution grid.

20 new HV switchers will be installed in transforming station "Strumica 1", new 110 KV power line and revitalization of few more power stations are largest investments presented in EVN plan. Along with new 110 KV power line in Kvardarci, new 110/35/10 KV transforming station will be built. 600 000 EUR will be invested in new power line.

Since EVN became owner of Macedonian distribution company, 107 transforming stations were revitalized.

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### **Possible solution for Russian debt to Macedonia (Macedonia)**

By the end of 2008, Macedonia and Russia should sign an agreement regarding 60 million USD Russian debts to Macedonia, according to sources.

According to sources, this debt will be used to build gas network thought Macedonia. Total investment for this project is estimated to 80 million USD.

According to project proposals, pipeline will have two branches, Kumanovo – Stip and Kumanovo – Veles. 2nd possibility is to connect Tetovo and Kumanovo, while third is to connect Veles and Bitol.

Gas network in Skopje is also included in the project.

In the related news, President of Macedonia, Mr. Branko Crvenkovski had a meeting with president of Lukoil, Mr. Vagit Alekperov. Mr. Alekperov expressed his hopes for further investments in Macedonia, and President Crvenkovski welcomed his plans for infrastructure investments in Macedonia.

§ § §

### **KAP interested in construction of power plants (Montenegro)**

Director of Aluminum factory in Podgorica (KAP) Joe Kazadi confirmed that KAP would most certainly take part in future tenders for construction of new power plants in Montenegro or in neighboring countries.

According to sources, KAP could take part in tenders for construction of hydropower plants on Bileca Lake, on Moraca

River or in a tender for construction of unit 2 in thermal power plant (TPP) Pljevlja.

Kazadi also confirmed that owner of KAP has been meeting its contractual obligations described by privatization contract. By 2010, KAP will buy part of its electricity needs from Power utility of Montenegro under privileged prices, director said.

In the last year, KAP posted 2.9 million euros of losses. The loss is the direct consequence of increased fuel oil and electricity prices by 58 %, which resulted in overall expenses of 133 million euros.

The KAP produces some 50 % of overall export in Montenegro. The company is owned by CEAC, controlled by Russian businessman Oleg Deripaska.

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### **Medoil interested for natural gas researches (Montenegro)**

Vice prime minister of Montenegro Vujica Lazovic and executive director of Medoil plc and advisor for capital investments of Cairn Group Joseph McKniff expressed readiness for cooperation in natural gas researches in Montenegro's coast.

Oil and natural gas researches in Adriatic in Montenegro showed no results after Ramco, and later Jugopetrol failed to start research projects in accordance to concession contracts.

The meeting took place in Podgorica in beginning of June, and Lazovic informed McKniff on economic environment in Montenegro and future developments plans.

Lazovic reminded that according to the Strategy of energy development until 2025, there is an option for construction of 1,200 MW natural gas fired plant near Bar port. Vice prime minister pointed out that, Montenegro, as ecological state, must obey ecological standards, which are incorporated in future development plans.

According to national energy strategy, natural gas reserves in Adriatic are estimated at 425 billion cbm, while oil reserves are estimated at 7 billion barrels.

British company Medoil plc, the part of Cairn Group, is involved in oil and natural gas researches in Mediterranean.

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### **Government and EPCG agreed on subsidies for electricity bills (Montenegro)**

The officials from government of Montenegro and from Power utility of Montenegro (EPCG) informed the public in the joint press conference that some 10.3 million euros will be granted through subsidies for electricity bills after the latest price increase.

Starting from June, households will be divided in two categories, those that already received subsidies and those that had average electricity bills between 15 and 60 euros in the last year.

In order to get the subsidy, every customer will be obliged to submit official request and evidence on monthly income

According to subsidy programme, the households with less than 1,000 euros of monthly income and with average electricity bills between 15 and 60 euros will be entitled for 15 % discount. If the electricity bill is higher than 60 euros, the rest of the bill will be paid in full.

The discount of 40 % will be granted to underprivileged categories of customers, where the maximum subsidy will be set at 24 euros, i.e. the rest of the bill higher than 60 euros will be paid at full prices.

The most endangered categories of customers will be granted maximum subsidy of 24 euros regardless of their consumption. According to data, there are some 20,000 of such customers.

Analyses of EPCG showed that out of overall number of 280,000 households' customers, some 144,000 customers had electricity bills between 15 and 60 euros, while only 20,000 or 6.6 % of electricity bills were higher than 60 euros, data of EPCG showed. Analyses also showed that average monthly electricity bill in capital Podgorica was 30 euros, while in city of Pljevlja was 17 euros.

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### **Prime minister criticized cancellation of privatization of TPP Pljevlja (Montenegro)**

During the visit to city of Pljevlja, prime minister Milo Djukanovic said that so-called plan B for development of coalmine Pljevlja and enlargement of thermal power plant (TPP) Pljevlja had failed. Those who were in favor of such plan should admit this, Djukanovic said. According to him, someone has to be responsible for deepening of the energy crisis, which could affect other sectors of the economy.

Djukanovic said he was in favor of privatization of energy complex in Pljevlja. In the same time, in the last several months, no one has presented any kind of information regarding plan B, which should have been alternative for privatization. DPS party still supports privatization of energy complex, but the project could not be started due to disapproval of DPS's coalition partner, Djukanovic explained.

As a reminder, ruling DPS party was in favor of sale of TPP Pljevlja and coalmine Pljevlja to Russian company En Plus, which won in the international tender. On the other hand, opposition parties and coalition partner of DPS, the SDP party, reached the parliamentary decision for canceling the tender.

The officials from Power utility of Montenegro (EPCG) were also in favor of canceling the tender. They presented new plan for energy complex in Pljevlja, which was called plan B. The

plan predicted merger of the TPP and the coalmine into one company majority owned by the state and construction of the second 200 MW unit in the TPP. According to proposal of EPCG, the funds for the project should be provided through international loans.

Opposition party PZP accused Djukanovic for not being informed about the plan that could result in construction of new unit in TPP Pljevlja. Officials from PZP said they had presented proposal for privatization and restructuring of EPCG long time ago. In the same time, the plan B would enable construction of new hydropower plants Komarnica and Krusevo, PZP concluded.

The press in Montenegro implied that government of Montenegro, after the latest statement of prime minister regarding TPP Pljevlja, could dismiss the management in coalmine and EPCG. In the same time, privatization of energy complex could be restarted, sources said.

The chair of the board of director of EPCG, Vojin Djukanovic, who was one of the authors of plan B, did not want to comment the latest statement of the prime minister.

The chair of the board of directors of coalmine Pljevlja Djordje Dzuverovic said he would accept responsibility for problems in energy sector. He said that cancellation of privatization of energy complex in Pljevlja was mistake. The parliament should not have cancelled the procedure until the first ranked bidder had not submitted its final bid, Dzuverovic said. Head of the coalmine said that company's main aim is to reach coal production sufficient for existing and future unit in the TPP, where this should happen in 2011.

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### **Government approved concessions for seven small HPPs (Montenegro)**

The government of Montenegro approved signing the concession contracts for construction of seven small hydropower plants (HPPs) with seven companies.

Minister of economic development Branimir Gvozdenovic said that contracts would be signed with local companies Kroling, Dekar, Hidroenergija Montenegro, and Bask, and with Austrian Energie Zotter Bau and Bosnian Haider Extrem Energy.

The companies were selected through tender procedure. The tender for construction of small HPPs on 43 sites was published in November last year. In May this year, government announced to publish new tenders for small HPPs.

During the same occasion, the minister announced international energy conference, which should take place in Kolasin on July 10-12. During the conference, the government will present projects in energy sectors to investors, where the main priority is construction of second unit in thermal power plant (TPP) Pljevlja.

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## **EPCG posted 7.9 million euros of losses in 2007 (Montenegro)**

Power utility of Montenegro (EPCG) posted some 7.9 million euros of losses in the last year, which was considerably lower to 29 million euros of losses posted in 2005 and some 24 million euros of losses posted in 2006.

According to EPCG, the better business results were not just a consequence of increase in electricity prices, but also were the consequence of reduction of electricity losses and increase in collection rate of electricity bills. The company hopes that business losses in this year will be close to zero.

In the related news, EPCG confirmed that overall debts of the households for unpaid electricity bills amounted to 66.5 million euros, while overall debts of all electricity customers in the country amounted to 115 million euros. For the first time, the debts of the households exceeded the debts of industrial customers.

Because of that, board of directors of EPCG instructed the management of the company to start to disconnect debtors from electricity grid. EPCG also demanded from courts to be more efficient in the lawsuits filed by EPCG against debtors.

According to announcements, EPCG should disconnect up to 6,000 households per month. 2,000 disconnections per month showed as unsatisfactory, EPCG said. According to latest data, there are some 317,000 of tariff customers in the country.

The government of Montenegro recently adopted draft of the new Law of obligations, which would change statutes of limitations for the lawsuits of EPCG against customers. In this moment, any lawsuit will expire in one year, while the new expiration deadline will be set at two years.

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## **AMG Bank interested in privatization of EPCG (Montenegro)**

According to local press, U.S. AMG International Bank is interested in recapitalization of Power utility of Montenegro (EPCG). The worth of investment would be 250 million euros.

According to earlier plans for recapitalization of EPCG, the state should keep 55 % of shares in national power company, comparing to 70 % of shares it currently controls. The funds acquired through recapitalization should be invested in reconstruction of power facilities.

Head of EPCG Radomir Milovic confirmed that company initiated procedure for recapitalization. It was early to talk on potential partners, he said.

So far, interest for privatization of EPCG through recapitalization was expressed by EAR, Enel (Italy), Samruk Energy (Kazakhstan), Tauron (Poland), JP Morgan, RAO EES (Russia), Des (China) and CEZ.

EPCG has formed special team that will be in charge for recapitalization of the company, merger of thermal power plant (TPP) Pljevlja and coalmine Pljevlja, and preparation of the tender for construction of second unit in the TPP Pljevlja. One of the team's tasks will be to prepare listing of shares of EPCG on London Stock Exchange.

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## **E.On to acquire majority share in TPP Braila project (Romania)**

According to sources quoted by Romanian press, E.ON Group will acquire majority share in the consortium with Enel in the project for construction of 800 MW unit at the site of thermal power plant (TPP) Braila. International consortium will build new replacement capacity in cooperation with state-owned electricity producer Termoelectrica.

As a reminder, in April this year, Termoelectrica approved the establishment of consortium with Enel and E.On, and in beginning of May, the company started negotiations regarding the establishment of joint venture.

Sources imply that E.On will own at least 51 % of shares in the consortium. The representatives of E.On did not want to comment the latest announcements.

The new unit will be coal-fired, and the cost of the project is estimated at 1 billion euros. For the purpose of the project, Termoelectrica, E.On and Enel will establish joint venture, where E.On and Enel should hold majority stake. Romanian company will contribute existing assets in TPP Braila, while international partners will provide funds for the project.

E.On and Enel will be entitled for trading of 50 % each of electricity produced in new unit, where the profit will be split between three companies in accordance to ownership shares.

Sources said that E.On and Enel would sell electricity to its Romanian branches. Enel is majority owner in electricity distributors Electrica Muntenia Sud (privatization recently completed), Electrica Banat and Electrica Dobrogea, while E.On owns Electrica Moldova.

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## **Romgaz to negotiate gas supplies through Nabucco pipeline (Romania)**

Natural gas producer Romgaz announced start of negotiations regarding the natural gas supplies from the Middle East through future Nabucco pipeline.

Several months ago, natural gas transporter Transgaz, the Romanian representative in Nabucco project, ceded its supply rights in the project to Romgaz, since, according to Romanian laws, Transgaz cannot be natural gas supplier. This was confirmed by one of the directors in Transgaz, Vlad Pavlovschi.

Pavlovski said that Romania should contract natural gas supplies very soon in order to avoid a risk of being an only transit country.

The partners in Nabucco consortium will be entitled to use by themselves 50 % of capacity of the future pipeline, where this amount should be equally shared between them. The rest of the transport capacity of the pipeline should be allocated in auction this September.

The maximum capacity of Nabucco pipeline should be some 30 billion cbm per year, so that partners in the project will be entitled for some 2 billion cbm of gas per year.

The project was managed by Nabucco Gas Pipeline International GmbH, the members of which are MOL (Hungary), Transgaz, OMV (Austria), Botas (Turkey), Bulgargaz (Bulgaria), and RWE (Germany).

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### **Petrom interested in natural gas export through Arad-Szeged pipeline (Romania)**

Oil and gas company Petrom has expressed interested for export of natural gas through future natural gas pipeline Arad (Romania)-Szeged (Hungary). The pipeline (109 km long) should be operational in 2010 and its capacity should be up to 4.4 billion cbm per year.

In the same time, some 11 companies so far expressed interest for importing natural gas in Romania through this pipeline.

Hungarian MOL and Romanian natural gas transporter Transgaz have jointly developed the project, which faced many delays in the past. Two companies will invest their own funds in the project.

The Romanian part of the pipeline will be 62 km long. Some 26 km still needs to be built, and, according to estimations, Transgaz will invest up to 15 million euros for this purpose.

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### **Natural gas consumption to be expressed in MWh from July (Romania)**

Starting from July 1, natural gas bills for households in Romania will be charged for consumption in MWh.

This will replace old invoicing system where natural gas consumption was expressed in cubic meters, Romanian energy regulators ANRE said.

Natural gas transporter Transgaz and natural gas distributors are obliged to send data regarding the natural gas quantities and thermal values by the end of June.

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### **Transgaz and Bulgargaz negotiate construction of new gas pipeline (Romania & Bulgaria)**

Romanian natural gas transporting company Transgaz and its Bulgarian counterpart Bulgargaz are involved in negotiations for construction of natural gas pipeline between two countries.

The companies have been analyzing two options, the interconnection pipeline between Russe (Bulgaria) and Giurgiu (Romania) or through 20 km long pipeline on unspecified place.

The Russe- Giurgiu pipeline would be the shortest interconnection between two national gas networks. Several companies, among them Gaz de France, has expressed interest for this project.

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### **Romgaz to be involved in electricity production (Romania)**

Natural gas producer Romgaz announced new plans for electricity production projects. The company wants to build power plant with output between 100 and 300 MW. The project should be financed by company's own funds.

The new power plant should be built near industrial facility that will purchase the generated steam, which would be otherwise wasted, general manager of Romgaz said.

Romgaz did not give the details regarding the construction site of new power plant and the particular industrial facility saying the feasibility study for the project was still underway. According to estimations, the cost the project could reach up to 300 million euros.

In this year, Romgaz initiated another electricity production project. The company started negotiations with Termoelectrica regarding the takeover of 50 MW natural gas fired plant. Also, in February this year, Romgaz and Termoelectrica started negotiations regarding establishment of joint venture that will be involved in electricity production. Romgaz should be majority shareholder in the new company.

In this year, Romgaz plans to invest some 200 million euros. In the first quarter of this year, the company posted net profit of 74 million euros (+100 %). In 2007, Romgaz reported 152.5 million euros of net profit.

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### **Transelectrica to select consultant for construction of interconnection power line toward Serbia (Romania & Serbia)**

Electricity transmission company Transelectrica will select in a tender the company that will design new 400kV inter-

connection power line toward Serbia. The project will include upgrade of power network Portile de Fier-Resita-Timisoara-Sacalaz-Arad up to 400kV.

The future consultant will be selected on July 29 and its task will be to prepare project papers in period of 18 months. The worth of the contract will be 1.6 million euros.

In July last year, Transelectrica and Serbian transmission system operator (EMS) signed memorandum of understanding regarding the construction of 400kV power line. According to Djordje Golubovic, head of Development department of EMS, the construction of new power line should start in 2011 and it should be finished in 2013.

The feasibility study for the project should be prepared in cooperation with European agency for reconstruction (EAR). The project funding is not decided yet, where there could be an option for electricity traders to fund the project. Romania and Serbia each will fund their part of the line. The cost of Serbian part of the power line will be between 20 and 25 million euros, Golubovic said.

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### **The government to hold majority stake in units 3 and 4 in NPP Cernavoda (Romania)**

Minister of economy and finances Varujan Vosganian said during the energy forum Foren 2008 that government will approve decision for keeping the majority stake in future units 3 and 4 (700 MW each) in nuclear power plant (NPP) Cernavoda. The decision should be reached in the second half of June.

As a reminder, minister announced this decision in April this year. The majority stake should be controlled by the operator of NPP Cernavoda, the Nuclearelectrica, while the future strategic partners will be CEZ, Electrabel, Arcelor-Mittal Romania, Enel, RWE and Iberdrola. At the time, minister Vosganian said that such decision was motivated by national and economic interests. According to original plans, both strategic partners and Nuclearelectrica should have owned minority stakes in future units.

During the same occasion, Vosganian announced that government would present new draft law for promoting the renewable energy sources. He confirmed that Romania's electricity system, in this moment, could support construction of wind farms with maximum output of 2,000 MW.

Minster confirmed that Termoelectrica, E.On and Enel would sign cooperation contract for construction of new unit in thermal power plant (TPP) Braila.

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### **Merrill Lynch interested in investments in electricity production (Romania)**

Local media reported that Merrill Lynch is interested in investments in electricity production as well as in electricity and natural gas trading in Romania.

In the end of 2007, Merrill Lynch acquired the energy trading license from National Regulatory Authority in Energy (ANRE), and became the first international financial institution to get involved in energy trading in Romania.

Nick Frydas, director of regulatory affairs with Merrill Lynch confirmed that company would be involved in wholesale electricity trading. The focus will be on commercial relations with other traders, producers and energy importers and exporters. Merrill Lynch wants to introduce new model of electricity trading that implies direct negotiations with electricity producers.

The company is also interested in natural gas trading and trading with carbon dioxide emissions. Merrill Lynch plans to make investments in new power plants and to obtain electricity in return. In addition, the company is interested in upgrading the existing power plants, director said.

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### **Construction of South stream pipeline to start in 2011 (Serbia)**

Chair of the board of directors of Gazprom, Alexei Miller, said that construction of South stream pipeline in Serbia should start in 2011 at the latest. Feasibility study and the exact route of the pipeline in Serbia should be decided by mid 2009, Miller said. He said this in French city of Deauville, during the European business congress.

Besides Bulgaria, Serbia, Hungary, Greece and Italy, which already signed cooperation contracts, Austria and Slovenia should also join the project. The negotiations with these two countries are near end, Miller confirmed.

The feasibility study for the entire South stream pipeline and exact route should be decided by mid 2009. Miller said. He pointed out that South stream pipeline is not competitor to Nabucco pipeline, and that it would contribute energy security in Europe.

In the same time, during the International economic forum in Saint Petersburg, deputy chair of the management board of Gazprom Aleksandar Medvedev announced that Austrian OMV should join South stream project. Medvedev announced that Russia and Austria should sign interstate agreement regarding this project very soon, where the standpoints should be agreed during the visit of Gazprom to Austria.

Russian analysts believe that this agreement could be final blow to Nabucco project, which one of the founders is OMV.



In the related news, minister of economy of Slovenia Andrej Vizjak announced that Slovenia and Gazprom should sign the agreement for construction of South stream pipeline across Slovenia this summer. Slovenia wants to diversify its energy sources and to secure its natural gas supplies in long-term, minister said.

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### **Negotiations with Russia regarding renewal of HPP Djerdap (Serbia)**

Vice prime minister of Serbia Bozidar Djelic and minister of industry Predrag Bubalo had a meeting in Saint Petersburg with Russian minister of finance regarding the project for renewal of the largest hydropower plant (HPP) in Serbia, the HPP Djerdap 1.

The renewal of the HPP is to be carried out by Russia company Silovie Mashini under the agreement on settlement of clearing debts of Russia toward Serbia. The original agreement was signed several years ago, but Russia demanded changes of the original contract price.

Serbian experts believe that original contract price of 100 million dollars is fair. On the other hand, Russians believe that project costs will be considerably higher due to increase in steel and copper prices. According to unofficial information, Russian company demanded between 150 and 200 million dollars for the project.

Russian company Silovie Mashini has manufactured original equipment in HPP Djerdap decades ago. After the renewal, output of the HPP should be increased from 1,080 MW up to 1,200 MW.

According to latest announcements, the renewal of HPP Djerdap 1 should not start before spring next year, although renewal should have started this year.

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### **Government supports ratification of energy agreement (Serbia)**

Vice prime minister of Serbia Bozidar Djelic said that there has been strong support in Serbia regarding the ratification of energy agreement between Serbia and Russia. Djelic said this after the meeting with chair of the management board of Gazprom Alexei Miller during the 12th international economic forum in Saint Petersburg.

Djelic believes that ratification should take place in September at the latest. One of the topics of the meeting between Russian and Serbian delegation was construction of natural gas storage facility in Banatski Dvor.

Vice chair of the management board of Gazprom, Aleksandar Medvedev is assured that energy agreement between Russia and Serbia would be soon ratified by the parliament of Serbia,

which implies that agreement for privatization of Oil industry of Serbia (NIS) would be signed.

Djelic informed Gazprom on new tender for import of 1 million tons of crude oil in Serbia that should be published in June. Djelic believes that Gazprom will take part in a tender.

According to Djelic, the draft agreement between NIS and Gazprom should be prepared and signed in June in parallel to ratification procedure, while activities related to establishment of joint venture between Gazprom and Serbian gas company Srbijagas will be speed up too.

Serbia, as well as Gazprom, is interested in investments in oil refineries in Pancevo and Novi Sad, Djelic said. Gazprom should invest some 500 million euros in NIS. After modernization is finished, Serbia will be able to process some 7 million tons of oil per year (comparing to present 3.2 millions) and even to export oil derivatives, vice prime minister concluded. Djelic said that Gazprom has already scrutinized NIS and it was ready to start modernization of the company as soon as the agreement was ratified.

On the sidelines of the forum, Serbian vice prime minister met ministers from Austrian government. Two sides talked about South stream project, where Austria expressed strong interest for the project, Djelic said.

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### **EFT started research works for new TPP (Serbia)**

Experts from local company Mineral investments started researches related to coal reserves in the area near city of Lucani. The researches will be vital for reaching the decision for construction of new thermal power plant (TPP) with output of 110-130 MW.

According to earlier estimations, coal reserves in the area are some 43 million tons. The new TPP should be spending some 1.2 million tons of coal per year

The project for construction of new plant was initiated by EFT. The cost of construction of new plant is estimated at 400 million euros, and construction works should last seven years.

Officials from EFT confirmed that company would be ready for investments in new TPP if the research results were favorable. Officials from municipality of Lucani believe that decision for construction of new TPP could be reached by the end of the year.

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**Tenders:****Electricity**

Company / organization:	EPCG, related Montenegro
<b>Feasibility study - 2nd unit of TPP Pljevlja</b>	
Content:	For additional information, please contact Mr. Dobrilo Gacevic at +382 89 330 102.
Deadline:	03.07.2008, 11:30 hrs.
Contact:	Dobrilo Gačević; TE »Pljevlja« Tel. +382 89 330 102, Fax +38289 330 131 e-mail: epcgte@cg.yu Mr. Dobrilo Gačević Tel. +382 89 330-102, Mr. Vladimir Nikčević Tel. +38283 204-219

Company / organization:	EPCG, related Montenegro
<b>Purchase of heavy oil</b>	
Content:	Heavy oil purchase, for the needs of TPP Pljevlja, with value of 945 000 EUR
Deadline:	25.06.2008., 11:30 hrs
Contact:	Mr. Vemić Milorad Tel: +38289 330111 Mr. Radovan Radojević Tel. +38283 204 220 Fax +382(0)83 214 804

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

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Construction of wood biomass heating plant in town "Triavna"</b>	
Content:	The project 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. This General Procurement Notice draws attention to the forthcoming tender for supply of goods and installation of equipment for the construction of a modern biomass fired heating plant and the related district heating network in town Triavna.  The tendering includes: 1. Supply of loading machine and specialised wood transporting track; 2. Supply of district heating network pipes; 3. Supply and installation of heating substations for customer sites. Overall Budget for the project is EURO 4 million, from which EURO 0.8 million will be financed from the Kozloduy International Decommissioning Support Fund. The invitations for tenders are expected in the third quarter of 2008. The invitations will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 May 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.
Deadline:	14 May 2009 at 00:00, Sofia time
Contact:	Mr. Svetlozar Todorov Investor's representative BioEnergia Triavna OOD 4 Trapezitsa str, entr. 4, fl. 4 Sofia 1000, Bulgaria Email: anton.ivanov@yahoo.co.uk Telephone/Telefax: +359 2 989 89 50

Company / organization:	<b>EBRD, related Bosnia and Herzegovina</b>
<b>Power Distribution Reconstruction-Substations 10(20)/0,4kV</b>	
Content:	JP Elektroprivreda BiH d.d. Sarajevo (hereinafter referred to as the Purchaser) intends to use part of the proceeds of a loan from the European Bank for Reconstruction and Development (the Bank) towards the cost of Power Distribution Reconstruction Project. The Purchaser now invites sealed tenders from Supplier for the following contract(s) to be funded from part of the proceeds of the loan: Procurement of Substations 10(20)/0,4 kV Lot 1 Prefabricated Transformer Substations 10(20)/0,4 kV Lot 2 Distribution Transformers 10(20)/0,4 kV Lot 3 MV Switchgears and Apparatus Lot 4 LV Distribution Board, Cabinets, Equipment for Power Factor Correction and Fuses Lot 5 Earthing Equipment Lot 6 Telemetry and Radio Equipment Tenders are invited for one or more lots. Each lot must be priced separately..
Deadline:	2 Mar 2009 at 00:00, Sofia time
Contact:	Mr. Nedeljko Despotović, PIU Director Tel.+387 33 751 030; Fax.+387 33 751 033 e-mail: n.despotovic@elektroprivreda.ba

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Replacement of transformers for CEZ Razpredelenie Bulgaria</b>	
Content:	<p>The project 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 tender for supply of equipment for the replacement of outdated 20/0,4 kV power transformers with new transformers of higher efficiency.</p> <p>Overall Budget for the project is EURO 3,84 million from which EURO 0.76 million will be financed from the Kozloduy International Decommissioning Support Fund.</p> <p>The replacement of the power transformers is planned to start by the end of 2008.</p> <p>The invitation for tender is expected in the third quarter of 2008. The invitation will be open to firms that qualify under the Procurement Policies and Rules of the EBRD and the KIDSF. The eligible countries as of 1 February 2008 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations.</p>
Deadline:	14 May 2009 at 00:00, Sofia time
Contact:	<p>Mr. Atanas Dandarov          Director management of the company          CEZ Razpredelenie Bulgaria AD          330, Tzar Simeon Street          1309 Sofia, Bulgaria          Office tel: +35928053403          Fax: +35929862805          e-mail: atanas.dandarov@cez.bg</p>

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Metamodul CNG for the Etropole gas supply system</b>	
Content:	<p>The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of 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 preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>Metamodul Ltd intends to use grants from the Kozloduy International Decommissioning Support Fund for supply of sets of technology and equipment for compression of natural gas and refuelling of vehicles with compressed natural gas (CNG).</p> <p>The budget for the project is €1.28 million</p> <p>The tendering for the above contract is expected to begin in the second quarter of 2008.</p>
Deadline:	2 Mar 2009 at 00:00, Sofia time

Contact:	<p>Mr. Christo Petkov          Tel. +359 2 818 00 10          Fax: +359 2 818 00 20 [fax:]</p>
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Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Ruse Integrated Energy Farm</b>	
Content:	<p>. The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of 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 preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>District administration Ruse intends to use the proceeds of the Grant from the Kozloduy International Decommissioning Support Fund for co-financing the establishment of an integrated energy farm, consisting:</p> <ul style="list-style-type: none"> <li>• Supply and installation of Biomass gas generation reactor, gas cooling, gas washing and gas drying using straw</li> <li>• Supply and installation of CHP plant for production of electric and thermal energy</li> <li>• Supply and installation of biomass (straw) transport, handling and storage facilities</li> <li>• Up-grade of the existing heat only boiler (HOB) for the utilisation of biogas</li> </ul> <p>The tendering includes design, engineering, procurement, delivery, construction, installation, pre-commissioning and commissioning of works and is expected to begin in the Q III 2008.</p> <p>The total expected budget of the project including the consultancy assignment is €3.4 million, from which the grant financing part is €1.56 million.</p> <p>Tendering for contracts to be financed from grants of the KIDSF, is open to firms from eligible countries as of 1 April 2008. These are: EU member states, Switzerland and the EBRD's countries of operation.</p>
Deadline:	9 May 2009 at 00:00, Ruse time
Contact:	<p>Dr. Todor Petrov          Director          District administration          Ruse          Bulgaria          Fax : + 359 82 812 232          Email: T.Petrov@ruse.e-gov.bg</p>

Company / organization:	EBRD, related Romania
<b>CFR Traction Energy Network Management LOT 1,2 - General</b>	
Content:	<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.</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 21 3192512; Email: ionel.truica@cfr.ro</p>

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Enemona CNG project - General</b>	
Content:	<p>The project announced within this procurement notice will be 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 tender for Supply and installation of equipment for five Compressed Natural Gas vehicles in Bulgaria. The purpose is the development of a natural gas supply system in towns Svilengrad and Kardjali in South-East Bulgaria. The project includes:</p> <ul style="list-style-type: none"> <li>• Design, supply and installation of 5 vehicles for transportation of the natural gas from the compressed natural gas terminal on the high pressure distribution network to the terminals in the low pressure consumer distribution system.</li> </ul> <p>Budget for the project: €650,000. The invitation for tenders for the implementation of the project is expected in the second 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>
Deadline:	13 Feb 2009 at 00:00, Sofia time
Contact:	<p>Mrs. Nadya Ivanova; Enemona Utilities EAD Balscha str. 1, bl. 5 1408 Sofia, Bulgaria Tel: +359 2 80 54 746; Fax: +359 2 91 79 873; e-mail: n.georgieva@enemona.com</p>

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Sofia District Heating Rehabilitation</b>	
Content:	<p>The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of 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 preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>Toplofikacia Sofia AD, the joint stock district heating company serving the city of Sofia is carrying out the rehabilitation of the centralized district heating system in the city. The District Heating Rehabilitation Project comprises modernization of district heating substations, replacement of pipelines, compensators, thermal insulation of over-ground pipelines, conversion to variable flow of the Sofia district heating network.</p> <p>Toplofikacia Sofia AD intends to us grant funds of the Kozloduy International Decommissioning Support Fund (KIDSF) and own financial sources for delivery, installation, testing and commissioning of individual heating substations units for space heating and domestic hot water including heat exchangers, circulation pumps, control valves and automation devices. The budget for the project, subject of this GPN is about €2.5 million.</p>
Deadline:	13 Mar 2009 at 00:00, Sofia time
Contact:	<p>Mrs. Anastasiya Markova PIU Manager 23 Jastrebetz St., 1680 Sofia, Bulgaria Tel: +359 2 8593171 Fax:+359 2 8599124 E-mail: amarkova@toplo.bg</p>

Company / organization:	<b>EBRD, related Macedonia</b>
<b>Transmission Interconnection Project, four substations - GPN</b>	
Content:	<p>The Macedonian Transmission System Operator (AD MEPSO) has received a loan from the European Bank for Reconstruction and Development and intends to use a part of the proceeds to finance the Rehabilitation of four 400/110 kV Substations in the Power Transmission System of Macedonia in Skopje, Dubrovo and Bitola.</p> <p>The proposed project which has an estimated cost of EUR 5.65 million (excluding VAT) is intended to be implemented through three separate tender packages:</p> <ul style="list-style-type: none"> <li>• Package I: Lot 1: Replacement of eight 400 kV circuit breakers in substations 400/110 kV Skopje 4, Dubrovo and Bitola 2 Lot 2: Replacement of the existing protection systems for two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Dubrovo and two 400/110 kV power transformers and bus coupler bay in substation 400/110 kV Skopje 4.</li> <li>• Package II: Rehabilitation of substations 400/110 kV Skopje 4 and Dubrovo with supply and installation of new bay control units in the substations</li> <li>• Package III: Lot1: Rehabilitation of substation 400/220/110 kV Skopje 1 with supply and installation of a new control system on 110 kV level and replacement of the existing 110 kV protection system Lot2: Rehabilitation of substation 400/110 kV Bitola 2 with supply and installation of a new control system and replacement of the existing 400 kV and 110 kV protection systems.</li> </ul>
Deadline:	31 Dec 2008 at 00:00, Skopje time

Contact: Sinisa Stancevski ; Project Manager  
AD MEPSO  
Tel: +389 2 3149 018  
Fax: +389 2 3238 687

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

**Varna city heating network rehabilitation KIDSF**

Content: 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.

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.

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.

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.

Overall Budget for the project is €2.0 million, from which €0.4 million will be funded from the Kozloduy International Decommissioning Support Fund.

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.

Deadline: 22 Jan 2009 at 00:00, Varna time

Contact: Mr. Ilija Nikolaev Director of the board  
Tel: +359 52 500 670  
Fax: +359 52 750 358  
e-mail: inikolaev@dalkia.bg

Company / organization: EBRD, related Romania

**CFR Traction Energy Network Management LOT 1,2 - General**

Content: 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.

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:

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

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.

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

Deadline: 22 Oct 2008 at 00:00, Bucharest time

Contact: Mr I Truica, Technical Director  
S.C. Electrificare SA, B-dul D Golescu nr.38  
Bucharest, Romania  
Tel: + 40 213192512  
Email: ionel.truica@cfr.ro

Company / organization:	EBRD, related Bulgaria
<b>Rehab and Extension of Power Transmission Network LOT 1,2,3</b>	
Content:	<p>The National Electric Company – NEK-EAD (the “Employer”) intends using the proceeds of the grant funds provided by the “Kozloduy International De-commissioning 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>

## Oil and Gas

Company / organization:	EBRD, related Bulgaria
<b>Bulgartransgaz Silistra System Development</b>	
Content:	<p>Bulgartransgaz EAD intends to use the proceeds of the Grant funds provided by the Kozloduy International De-commissioning Support Fund, administered by the European Bank for Reconstruction and Development and its own resources to finance the cost and complete the Project for delivery and construction of high pressure gas pipeline to, and gas regulation station in Silistra. The Project, which has a total estimated cost of EUR 10.7 million, will require the following deliveries and construction services:</p> <p>A. Delivery of steel pipes and fittings for a gas pipeline. Delivery of about 80 km of steel pipes for high pressure gas pipeline (PN 64), most of which are DN 300 (14”) and other pipes of smaller diameter as well as fittings, required for the construction of the gas pipeline.</p> <p>B. Delivery of gas valves. Delivery of gas valves for high pressure gas pipeline (PN 64), mainly DN 300 (14”) and others of smaller diameter.</p> <p>C. Overall delivery, supervision and commissioning of technological equipment for the Unattended Gas Regulation Station (UGRS). Delivery, Supervision and Commissioning of one complete set of technological equipment for the Construction of an Unattended Gas Regulation Station. Gas Regulation Station is a facility for regulation of gas pressure, equipped with commercial metering devices.</p> <p>D. Construction of high pressure gas pipeline to, and gas regulation station in Silistra. Construction and Commissioning of about 80 km gas transmission pipeline, optical fiber cable line within the gas pipeline easement and an UGRS (including the value of the used equipment and materials, except the delivered under the above Delivery Contracts A, B and C). The construction includes:</p> <ul style="list-style-type: none"> <li>• Temporary construction and preparatory works;</li> <li>• Delivery of materials and equipment (except of those included in the Delivery Contracts (A, B and C) above);</li> <li>• Construction and installation;</li> <li>• Pre-commissioning and commissioning tests;</li> <li>• Getting Permission on Commissioning by the competent control authorities;</li> <li>• Remedy of defects within the warranty periods after the acceptance by the State Acceptance Commission and Permission for use of the constructed pipeline and UGRS.</li> </ul> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD's Countries of Operations. The proceeds of the Grant shall not be used for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations or under a law or official regulation of the purchaser's country.</p>
Deadline:	3 Nov 2008 at 00:00, Sofia time.
Contact:	<p>Mr. Angel Semerdjiev Executive Director Bulgartransgaz EAD 66, Pancho Vladigerov Blvd. Sofia 1336 Bulgaria Fax : + 359 29396462 e-mail: Silistra@bulgartransgaz.bg</p>