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NEWS

Energy News in Southeast Europe
twice in a month •

Nº 2008-XI/1 • 17.11.2008

.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.

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BalkanEnergy NEWS Consulting

Consulting, intellectual and assistance services related to energy business in South Eastern Europe

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- More then three years leading info provider for energy business in SEE.

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In this issue:

November (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 1.11.-15.11.2008
- » Forecasted weather conditions for the following period

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Analysis:

- » Nuclear power generation in Romania

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News headlines

Bosnia and Herzegovina:

- » Government approved participation in Adriatic-Ionian natural gas project
- » The project engineers for new power plants to be selected by the end of the year; political disputes regarding strategic partners continue
- » Electricity prices to rise 5 % next year
- » ERS to export 1.3 TWh of electricity next year
- » Oil refinery in Brod to start operations, first shipment of crude oil arrived
- » TPP Ugljevik met annual production target
- » Government to launch tender for construction of HPPs on Bosnia River
- » Agreement on energy policy adopted; disputes related to Elektroprenos and payment of natural gas debt to be resolved

Bulgaria:

- » NEK asked RWE to sign agreement for Belene project
- » Power exchange to be established in mid 2009
- » NEK and AtomStroyExport agreed on deadlines for delivery of equipment for NPP Belene
- » Sofia heating company to be transferred to the state
- » EVN wants to get involved in Gorna Arda project

Croatia:

- » Negotiations regarding share swap with MOL temporarily cancelled
- » Leading companies interested in construction of HPPs on Moraca River, Montenegro
- » New wind farm to be operational in March next year
- » Construction of HPP Lesce in accordance to plans
- » Lukoil announced expansion of network of petrol stations
- » The government presented draft Energy strategy until 2020

Greece:

- » Losses for Hellenic Petroleum in Q3
- » Mytilineos and Motor Oil signed energy agreement
- » PPC CEO requested tariffs rise, government denied request

Macedonia:

- » EVN to stop electricity theft
- » EIG Renewables announced construction of wind mills
- » Tender for import of electric energy
- » Gasification in Kumanovo stopped
- » 3 consortium delivered offers for gasification feasibility study
- » Okta to pay pollution fee

Montenegro:

- » EFT and Rudnap to deliver electricity to EPCG in 2009
- » IFC to acquire 5 % stake in EPCG
- » TPP Pljevlja in service after regular maintenance
- » 115 million euros of debts for electricity bills in H1
- » Government published public invitation for spatial plans for future HPPs on Moraca

Romania:

- » Electrica expects reduction in sales due to financial crisis
- » 49 million euros of profit for Transgaz in first nine months
- » Transelectrica posted 36.5 million euros of profit in nine-month period
- » Romgaz posted 122 million euros of net profit in nine-month period
- » Listing of Transelectrica's shares delayed for an indefinite period
- » CEZ called for reduction of the state's stake in new units in NPP Cernavoda

- » Import of natural gas to increase by 5.7 % next year
- » Report on energy resources in the first nine months of 2008

Serbia:

- » Energy contracts with Russia to be signed in November
- » 25 million tons of lignite produced in Kolubara
- » Electricity prices to rise in Q1 in 2009
- » Energy minister: no nuclear power plants in next 15 years
- » Construction of natural gas pipeline to start next spring
- » Energy minister denied negotiations regarding the sale of EPS to RAO UES
- » Oil production to reach 614,000 tons, natural gas production to reach 224 million cbm in 2009
- » System Consulting PLC and Dekotra Power signed contract for construction of first private power plant

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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.

1022	Slovenia	2007	11182	1027	891	953	850	1816	326
1154		2010	12267	1094	998	1012	911	1054	941
1077		2011	12590	1099	932	963	816	1127	997

OPCOM

Annual electricity consumption in GWh

Year	Sum	1	2	3	4
2007	11182	1027	891	953	850
2008	11570	1094	998	1012	911
2009	10994	1099	932	963	816
2010	11722	1074	979	1016	910
2011	12186	1155	1038	1075	938

Country Reports on Energy Business in South Eastern Europe

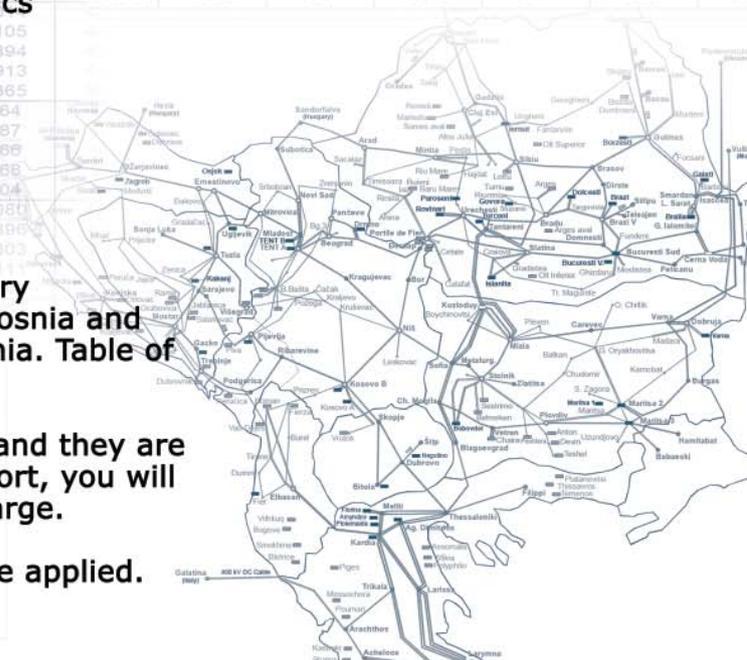
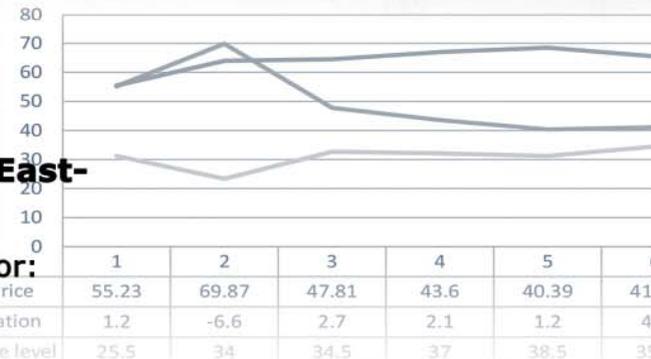
Country reports provide detailed overview of energy sector:

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



Power exchanges data:

Bosnia and Herzegovina: Electricity production in last 15 days (MWh)

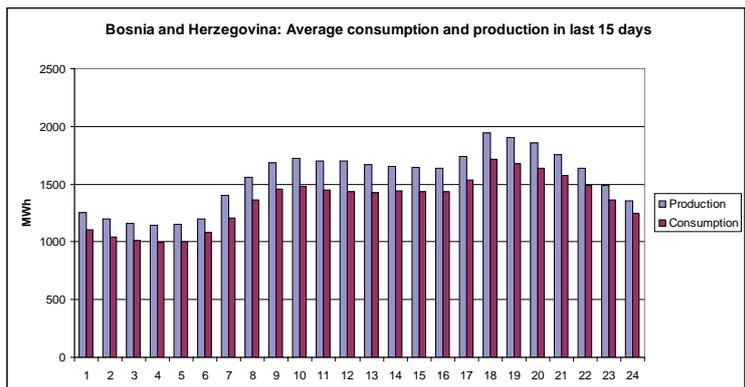
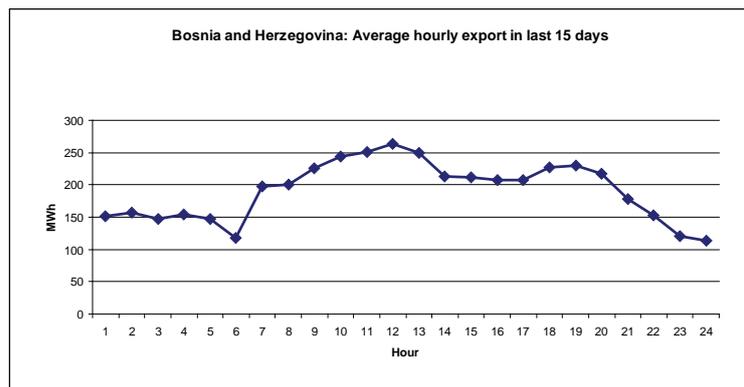
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.11.2008	1238	1128	1085	1061	1063	1095	1291	1433	1546	1587	1553	1552	1530	1531	1536	1511	1565	1757	1816	1758	1634	1535	1417	1317
2.11.2008	1214	1121	1074	1058	1066	1087	1201	1301	1428	1521	1504	1478	1479	1423	1395	1377	1475	1744	1741	1710	1633	1543	1361	1269
3.11.2008	1152	1111	1058	1056	1061	1166	1395	1626	1758	1776	1723	1708	1688	1694	1667	1668	1739	1938	1916	1856	1811	1706	1560	1453
4.11.2008	1312	1215	1176	1167	1167	1227	1450	1578	1728	1699	1723	1679	1700	1694	1703	1686	1776	1968	1873	1830	1731	1638	1500	1396
5.11.2008	1296	1236	1214	1197	1197	1237	1444	1601	1726	1757	1731	1726	1731	1742	1706	1642	1745	1838	1838	1789	1698	1597	1464	1302
6.11.2008	1145	1118	1064	1059	1061	1119	1437	1535	1645	1677	1636	1651	1628	1615	1638	1607	1699	1905	1712	1731	1762	1473	1330	1210
7.11.2008	1284	1275	1244	1238	1237	1279	1491	1648	1768	1777	1766	1732	1711	1703	1653	1706	1872	2017	1955	1824	1659	1573	1412	1280
8.11.2008	1183	1122	1099	1072	1059	1094	1203	1389	1513	1557	1544	1555	1516	1500	1494	1457	1515	1772	1743	1704	1606	1489	1344	1218
9.11.2008	1171	1119	1052	1059	1062	1083	1125	1236	1360	1467	1492	1513	1507	1391	1369	1390	1478	1773	1761	1675	1603	1508	1372	1230
10.11.2008	1243	1212	1144	1149	1137	1217	1466	1657	1767	1819	1762	1778	1732	1743	1711	1692	1812	2037	2023	1970	1842	1707	1545	1416
11.11.2008	1309	1253	1217	1200	1226	1240	1493	1701	1803	1855	1820	1816	1814	1772	1765	1773	1874	2087	2078	2027	1857	1772	1586	1459
12.11.2008	1316	1242	1236	1220	1218	1252	1537	1705	1846	1882	1839	1832	1767	1774	1773	1796	1861	2074	2073	2004	1888	1781	1608	1448
13.11.2008	1325	1253	1221	1221	1207	1265	1556	1732	1831	1864	1851	1851	1796	1782	1799	1785	1905	2116	2066	2041	1896	1811	1622	1452
14.11.2008	1332	1297	1225	1207	1237	1307	1560	1714	1805	1868	1847	1884	1790	1783	1820	1791	1986	2180	2069	2007	1881	1761	1612	1461
15.11.2008	1340	1282	1247	1227	1232	1278	1440	1571	1710	1772	1746	1750	1694	1702	1699	1713	1843	1997	1953	1885	1819	1704	1560	1433
Average:	1257	1199	1157	1146	1149	1196	1406	1562	1682	1725	1702	1700	1672	1657	1649	1640	1743	1947	1908	1854	1755	1640	1486	1356

Bosnia and Herzegovina: 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
1.11.2008	1107	1041	998	977	994	1037	1123	1287	1397	1430	1393	1387	1372	1392	1379	1345	1398	1639	1614	1550	1490	1395	1274	1175
2.11.2008	1082	1016	980	953	963	1011	1040	1190	1313	1366	1363	1337	1318	1306	1270	1257	1357	1611	1619	1578	1510	1421	1244	1140
3.11.2008	1043	986	956	949	964	1055	1205	1396	1473	1454	1409	1405	1396	1418	1402	1376	1469	1688	1666	1617	1560	1473	1324	1209
4.11.2008	1091	1033	997	977	1004	1093	1218	1379	1460	1463	1428	1385	1398	1437	1439	1440	1520	1679	1657	1624	1550	1445	1330	1187
5.11.2008	1074	995	990	978	985	1063	1218	1370	1426	1462	1410	1395	1407	1451	1424	1385	1489	1690	1662	1609	1556	1449	1324	1187
6.11.2008	1058	1016	985	968	982	1072	1229	1373	1430	1453	1408	1408	1409	1432	1442	1431	1541	1702	1510	1525	1542	1564	1568	1542
7.11.2008	1100	1044	1012	996	1009	1104	1228	1370	1475	1470	1442	1422	1417	1465	1450	1480	1612	1732	1681	1633	1575	1467	1363	1224
8.11.2008	1139	1047	1031	989	992	1037	1127	1256	1388	1427	1416	1405	1379	1408	1390	1382	1457	1653	1615	1571	1499	1408	1297	1197
9.11.2008	1104	1052	992	979	973	1025	1049	1190	1315	1387	1395	1372	1348	1315	1290	1301	1451	1697	1689	1640	1556	1467	1317	1185
10.11.2008	1062	1011	974	968	965	1075	1251	1433	1519	1526	1493	1471	1433	1465	1459	1455	1557	1762	1724	1682	1623	1528	1386	1238
11.11.2008	1129	1058	1024	1009	1039	1114	1281	1444	1535	1550	1508	1484	1501	1495	1486	1504	1617	1794	1753	1724	1640	1542	1403	1270
12.11.2008	1145	1071	1043	1024	1028	1149	1310	1453	1557	1570	1529	1498	1488	1506	1517	1547	1621	1781	1767	1708	1649	1578	1406	1265
13.11.2008	1138	1084	1046	1043	1041	1120	1320	1464	1540	1547	1515	1510	1483	1520	1532	1531	1657	1810	1757	1723	1663	1554	1434	1264
14.11.2008	1153	1081	1052	1028	1039	1141	1328	1482	1566	1585	1552	1569	1520	1546	1569	1543	1650	1787	1735	1699	1634	1518	1411	1293
15.11.2008	1170	1084	1060	1036	1037	1090	1195	1337	1464	1519	1507	1498	1476	1502	1500	1510	1641	1772	1724	1674	1608	1495	1398	1271
Average:	1106	1041	1009	992	1001	1079	1208	1362	1457	1481	1451	1436	1423	1444	1437	1432	1536	1720	1678	1637	1577	1487	1365	1243

Bosnia and Herzegovina: Electricity exports 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
1.11.2008	131	87	87	84	69	58	168	146	149	157	160	165	158	139	157	166	167	118	202	208	144	140	143	142
2.11.2008	132	105	94	105	103	76	161	111	115	155	141	141	161	117	125	120	118	133	122	132	123	122	117	129
3.11.2008	109	125	102	107	97	111	190	230	285	322	314	303	292	276	265	292	270	250	250	239	251	233	236	244
4.11.2008	221	182	179	190	163	134	232	199	268	236	295	294	302	257	264	246	256	289	216	206	181	193	170	209
5.11.2008	222	241	224	219	212	174	226	231	300	295	321	331	324	291	282	257	256	148	176	180	142	148	140	115
6.11.2008	87	102	79	91	79	47	208	162	215	224	228	243	219	183	196	176	158	203	203	206	220	-91	-238	-332
7.11.2008	184	231	232	242	228	175	263	278	293	307	324	310	294	238	203	226	260	285	274	191	84	106	49	56
8.11.2008	44	75	68	83	67	57	76	133	125	130	128	150	137	92	104	75	58	119	128	133	107	81	47	21
9.11.2008	67	67	60	80	89	58	76	46	45	80	97	141	159	76	79	89	27	76	72	35	47	41	55	45
10.11.2008	181	201	170	181	172	142	215	224	248	293	269	307	299	278	252	237	255	275	299	288	219	179	159	178
11.11.2008	180	195	193	191	187	126	212	257	268	305	312	332	313	277	279	269	257	293	325	303	217	230	183	189
12.11.2008	171	171	193	196	190	103	227	252	289	312	310	334	279	268	256	249	240	293	306	296	239	203	202	183
13.11.2008	187	169	175	178	166	145	236	268	291	317	336	341	313	262	267	254	248	306	309	318	233	257	188	188
14.11.2008	179	216	173	179	198	166	232	232	239	283	295	315	270	237	251	248	336	393	334	308	247	243	201	168
15.11.2008	170	198	187	191	195	188	245	234	246	253	239	252	218	200	199	203	202	225	229	211	211	209	162	162
Average:	151	158	148	154	148	117	198	200	225	245	251	264	249	213	212	207	207	227	230	217	178	153	121	113



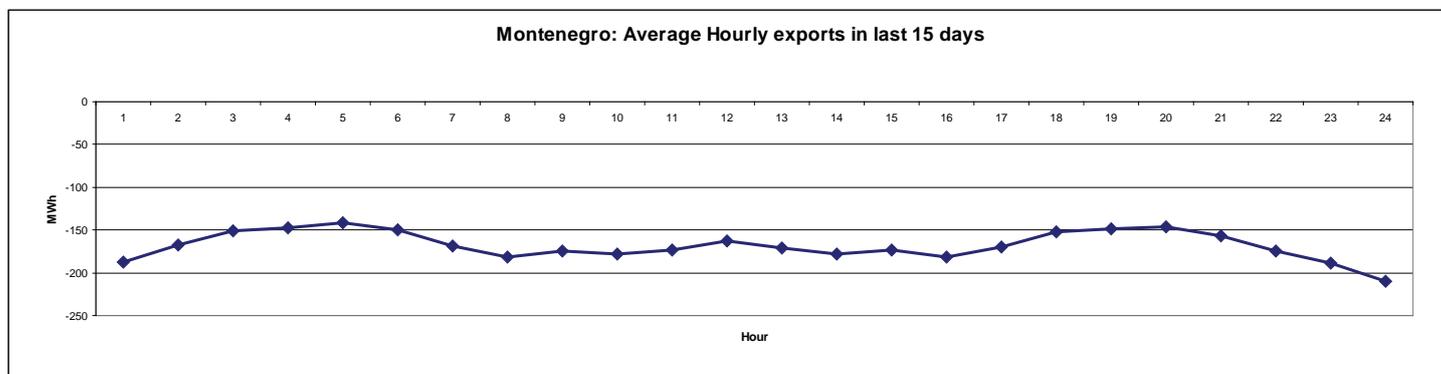
Montenegro: Electricity exports in last 15 days per border (MWh)

	1.11.2008	2.11.2008	3.11.2008	4.11.2008	5.11.2008	6.11.2008	7.11.2008	8.11.2008	9.11.2008	10.11.2008	11.11.2008	12.11.2008	13.11.2008	14.11.2008	15.11.2008
Montenegro - Albania	2026	1510	1483	1521	3157	3252	2858	2942	2896	2583	2734	2323	2688	2937	2494
Montenegro - BiH	-4821	-6153	-6237	-4266	-4797	-6208	-5740	-8168	-8989	-7526	-6472	-5702	-5340	-6205	-5625
Montenegro - Serbia	-2696	-1007	-797	187	372	960	472	780	963	-141	-205	-216	-1158	-1239	-2518
Total	-5490	-5650	-5550	-2558	-1269	-1996	-2410	-4446	-5129	-5084	-3943	-3596	-3810	-4506	-5648

Montenegro: Electricity export in last 15 days (MWh)

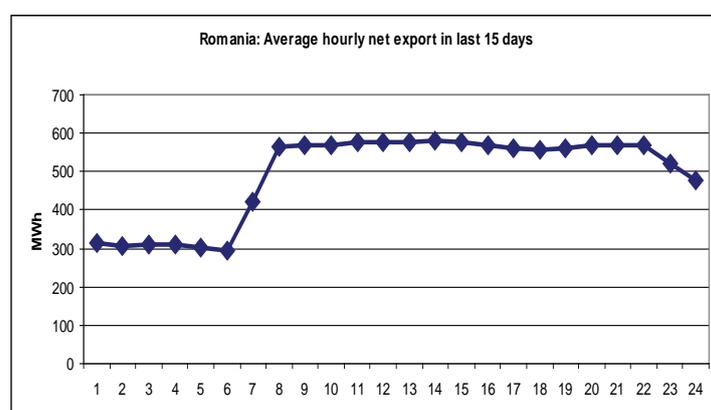
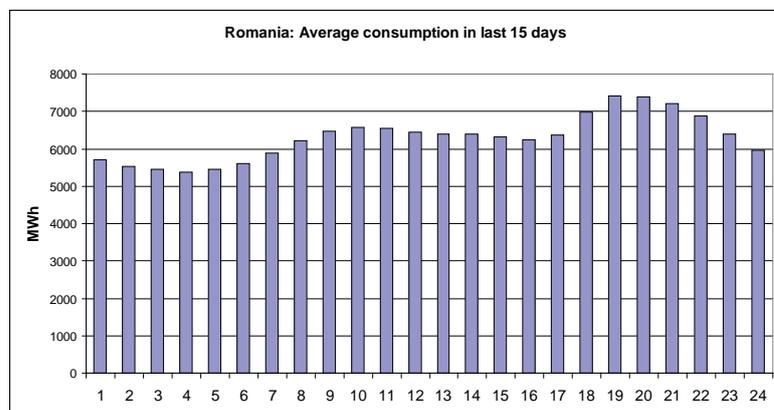
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.11.2008	-193	-164	-143	-139	-131	-147	-166	-202	-228	-251	-249	-255	-256	-250	-252	-242	-260	-298	-315	-296	-298	-278	-255	-224
2.11.2008	-198	-174	-154	-147	-142	-157	-163	-191	-223	-257	-261	-261	-255	-256	-245	-241	-257	-318	-328	-317	-314	-291	-269	-231
3.11.2008	-197	-159	-149	-151	-141	-155	-192	-240	-250	-247	-249	-236	-239	-229	-216	-237	-257	-306	-310	-308	-298	-283	-267	-235
4.11.2008	-199	-168	-157	-148	-131	-129	-149	-131	-95	-65	-57	-66	-58	-58	-46	-51	-89	-127	-129	-130	-118	-108	-90	-57
5.11.2008	-29	-1	6	11	27	7	-30	-48	-49	-54	-58	-51	-58	-49	-43	-51	-75	-120	-122	-118	-113	-93	-86	-73
6.11.2008	-76	-109	-10	-0	2	-8	-10	-56	-61	-73	-66	-69	-70	-50	-43	-60	-92	-125	-141	-129	-153	-207	-197	-193
7.11.2008	-173	-159	-136	-131	-125	-131	-161	-175	-92	-82	-7	122	12	-102	-93	-118	-102	43	12	-55	-152	-191	-203	-211
8.11.2008	-190	-175	-172	-173	-164	-164	-164	-181	-200	-198	-193	-188	-197	-184	-169	-178	-200	-191	-176	-184	-185	-188	-213	-219
9.11.2008	-216	-209	-199	-188	-176	-194	-191	-206	-211	-218	-238	-148	-172	-198	-184	-222	-229	-232	-149	-97	-108	-151	-98	-304
10.11.2008	-203	-172	-157	-154	-154	-159	-199	-209	-214	-201	-204	-197	-188	-206	-198	-187	-227	-275	-291	-289	-287	-262	-241	-210
11.11.2008	-208	-190	-182	-177	-189	-184	-188	-217	-219	-232	-214	-203	-204	-192	-211	-217	-210	59	55	41	-6	-185	-235	-237
12.11.2008	-221	-208	-209	-219	-221	-227	-257	-211	-136	-129	-155	-239	-207	-203	-200	-230	-16	41	43	52	37	-1	-230	-248
13.11.2008	-240	-205	-200	-208	-197	-193	-215	-213	-200	-202	-185	-178	-210	-210	-205	-203	-156	-38	-45	-33	-23	-41	-61	-150
14.11.2008	-223	-196	-198	-191	-177	-207	-219	-197	-197	-204	-216	-208	-213	-226	-231	-208	-108	-98	-110	-137	-136	-138	-207	-265
15.11.2008	-239	-230	-200	-197	-199	-193	-224	-240	-244	-260	-257	-262	-254	-260	-264	-279	-267	-293	-229	-198	-203	-192	-171	-294
Average:	-187	-168	-151	-147	-141	-149	-169	-181	-175	-178	-174	-163	-171	-178	-173	-182	-170	-152	-149	-147	-157	-174	-188	-210

Montenegro: Average Hourly exports in last 15 days



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
1.11.2008	5716	5509	5409	5304	5326	5398	5472	5533	5822	5980	5947	5897	5779	5723	5606	5518	5674	6336	6853	6866	6749	6446	6096	5745
2.11.2008	5359	5175	5046	4978	4978	5017	4979	4927	5008	5093	5047	4945	4810	4789	4802	4823	5039	5624	6197	6291	6177	5908	5576	5209
3.11.2008	5033	4958	4855	4835	4916	5150	5595	6102	6472	6664	6638	6529	6391	6440	6341	6308	6348	6947	7455	7460	7274	6882	6396	5999
4.11.2008	5593	5469	5388	5362	5453	5642	5995	6460	6760	6794	6702	6612	6553	6566	6488	6392	6520	7147	7633	7625	7410	6989	6410	6001
5.11.2008	5724	5645	5546	5499	5578	5835	6134	6558	6839	6906	6842	6762	6700	6726	6640	6630	6709	7309	7684	7656	7422	7053	6473	5988
6.11.2008	5701	5492	5398	5327	5407	5601	6021	6350	6665	6754	6701	6596	6586	6645	6588	6490	6554	7054	7509	7431	7292	6928	6492	5970
7.11.2008	5755	5586	5530	5451	5556	5734	6104	6561	6749	6785	6755	6706	6637	6638	6525	6503	6557	7068	7542	7519	7308	6980	6485	6062
8.11.2008	5902	5721	5581	5508	5543	5679	5734	5729	6118	6395	6418	6407	6344	6257	6083	6016	6141	6765	7270	7226	7123	6845	6414	6031
9.11.2008	5620	5423	5317	5205	5193	5264	5259	5243	5307	5339	5311	5296	5323	5339	5311	5303	5539	6252	6771	6745	6632	6380	5994	5657
10.11.2008	5427	5320	5237	5178	5232	5445	5971	6655	6968	7035	7068	7002	6954	7003	6916	6815	6953	7552	7834	7779	7559	721		



Opcom, Romania: Traded energy in last 15 days (MWh)

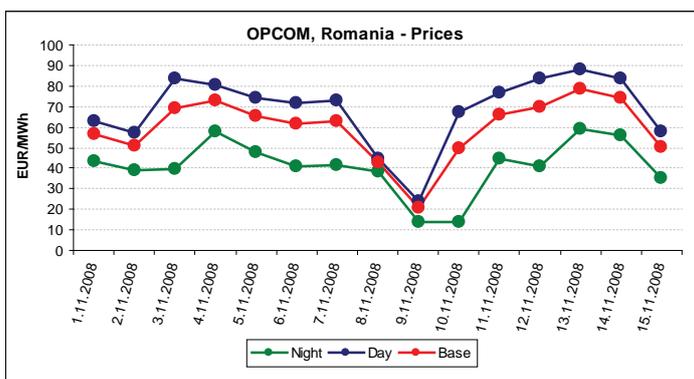
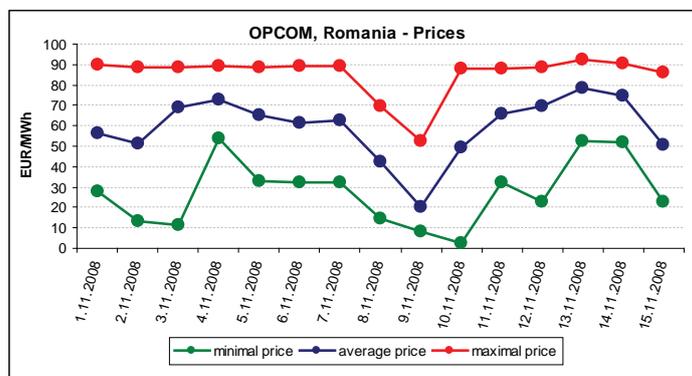
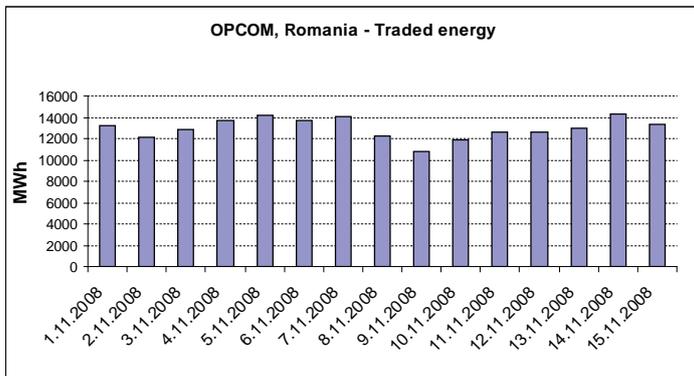
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.11.2008	559	479	527	510	522	510	463	441	553	524	540	536	575	568	568	543	562	733	563	567	586	588	586	588
2.11.2008	514	488	474	474	465	461	476	379	473	476	488	486	474	469	469	481	521	722	577	566	565	569	551	499
3.11.2008	639	548	492	465	505	612	693	582	471	469	498	512	522	531	564	578	679	690	427	431	446	481	477	520
4.11.2008	633	694	678	665	563	602	592	633	487	457	515	537	603	601	611	638	654	618	440	476	472	500	520	531
5.11.2008	644	630	612	606	604	590	624	636	530	502	558	607	661	705	681	662	658	665	469	448	526	581	511	526
6.11.2008	587	575	581	547	556	551	643	652	562	530	542	543	591	645	650	628	636	649	466	465	521	557	484	509
7.11.2008	622	500	546	516	527	499	515	591	551	525	574	629	648	637	621	651	640	696	528	591	652	632	595	562
8.11.2008	595	430	441	432	403	411	403	439	464	457	512	502	492	481	508	492	460	573	665	737	697	673	570	449
9.11.2008	454	428	393	366	350	363	406	421	414	384	379	379	363	363	384	392	442	523	653	719	681	629	517	416
10.11.2008	452	345	301	283	303	429	571	683	632	558	556	605	575	626	568	531	528	559	434	410	459	503	516	425
11.11.2008	447	465	470	476	468	463	551	592	470	441	463	594	495	590	514	544	583	582	511	512	541	580	609	640
12.11.2008	447	465	470	476	468	463	551	592	470	441	463	594	495	590	514	544	583	582	511	512	541	580	609	640
13.11.2008	523	611	667	659	646	530	539	556	433	447	458	480	523	543	583	636	642	550	425	429	489	581	502	578
14.11.2008	477	577	595	568	573	504	492	610	481	508	581	621	633	605	658	689	655	617	597	588	666	779	657	583
15.11.2008	511	417	383	340	361	382	528	531	588	625	659	638	626	583	583	599	602	708	661	619	672	710	571	419
Average:	540	510	509	492	488	491	536	556	505	490	519	551	552	569	565	574	590	631	529	538	568	596	552	526

Opcom, Romania: Prices in last 15 days (EUR/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
1.11.2008	54.05	41.37	33.09	32.54	27.58	33.09	38.61	38.61	55.43	68.94	68.94	60.67	55.43	55.43	55.15	53.78	46.88	55.43	89.76	89.76	89.08	85.49	68.94	55.43
2.11.2008	54.90	27.31	27.31	27.31	32.23	32.23	27.31	13.38	53.54	53.26	53.26	53.54	52.99	53.26	51.90	49.17	46.44	54.08	88.91	88.91	88.91	88.91	57.36	53.26
3.11.2008	53.54	23.95	16.25	11.20	13.52	24.95	54.08	82.49	88.77	88.91	88.91	88.77	84.83	83.32	82.49	82.49	70.20	87.68	88.91	88.91	88.91	88.91	88.91	82.49
4.11.2008	54.90	54.63	54.63	54.63	53.54	54.63	54.90	68.56	88.77	88.77	88.77	78.68	78.68	68.56	68.29	68.56	87.68	89.05	89.05	89.05	88.77	68.56	68.56	68.56
5.11.2008	54.28	48.85	48.85	32.84	33.11	48.85	53.20	54.28	82.78	86.85	82.78	70.30	68.13	68.13	67.85	67.85	67.85	68.13	88.75	88.75	88.35	78.71	59.71	54.55
6.11.2008	54.29	32.85	32.58	32.03	32.58	32.58	52.93	53.75	68.14	86.87	82.79	71.94	68.14	68.14	67.86	54.83	54.56	71.94	89.04	88.92	88.77	79.00	54.56	54.29
7.11.2008	54.31	40.73	32.58	32.58	32.58	33.13	48.87	53.49	76.33	88.52	88.52	78.74	68.16	68.16	67.88	54.85	54.31	71.96	89.22	89.06	88.79	83.06	54.58	51.59
8.11.2008	54.11	48.45	40.38	32.57	32.30	32.30	40.38	14.50	32.57	43.61	49.00	48.45	43.04	40.38	32.57	32.38	32.57	45.76	67.30	69.72	67.30	53.84	40.38	28.78
9.11.2008	29.51	9.39	8.05	8.05	8.05	8.05	7.92	8.05	13.42	16.10	16.10	15.83	15.83	13.42	15.83	15.83	15.83	29.51	48.29	52.59	52.59	42.66	26.56	13.15
10.11.2008	8.05	2.68	2.68	2.68	2.68	6.71	30.86	53.66	56.34	81.83	77.81	61.44	67.34	61.44	67.08	53.93	52.32	71.10	88.15	88.17	87.74	81.84	53.66	32.20
11.11.2008	50.98	48.29	32.46	32.20	32.46	48.56	53.93	53.93	87.47	88.22	87.62	77.81	78.08	67.35	67.62	67.08	67.08	86.40	88.22	88.22	87.75	82.08	57.69	53.93
12.11.2008	53.63	32.02	24.50	23.01	26.95	48.02	53.63	66.97	87.67	88.04	88.04	87.67	85.37	87.24	86.86	86.86	85.37	87.24	88.46	88.19	87.92	87.12	67.24	53.36
13.11.2008	56.83	52.86	52.86	52.60	52.86	52.86	66.08	79.29	92.51	92.51	91.11	89.86	88.81	88.81	88.28	87.26	87.26	92.51	92.51	92.51	89.86	88.69	87.37	66.34
14.11.2008	70.53	55.01	52.40	51.88	52.66	57.50	65.17	78.21	90.20	89.68	86.17	86.17	87.07	87.07	85.13	67.52	75.60	89.68	89.68	89.68	85.72	85.13	57.35	52.14
15.11.2008	52.99	47.22	31.74	22.82	23.93	31.74	51.42	51.68	52.46	52.46	52.73	52.46	52.46	52.46	52.46	51.94	49.84	65.84	85.78	86.05	65.84	52.73	49.84	23.61
Average:	50.46	37.71	32.69	29.93	30.47	36.35	46.62	51.39	68.43	74.30	73.50	68.83	66.29	64.89	63.83	59.60	58.31	71.00	84.80	85.23	83.11	77.80	59.51	49.58

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

	1.11.2008	2.11.2008	3.11.2008	4.11.2008	5.11.2008	6.11.2008	7.11.2008	8.11.2008	9.11.2008	10.11.2008	11.11.2008	12.11.2008	13.11.2008	14.11.2008	15.11.2008
Base Price	56.40	51.24	68.89	72.87	65.16	61.39	62.58	42.61	20.44	49.68	66.06	69.64	78.44	74.47	50.52
Base Quantity	13191	12116	12833	13721	14237	13670	14047	12286	10817	11854	12600	12600	13029	14313	13318
Day Price	62.96	57.36	83.66	80.31	73.92	71.73	73.12	44.59	23.74	67.57	76.80	83.92	87.99	83.62	58.04
Day Quantity	8910	8189	8575	8836	9514	9280	9680	8555	7531	8799	8562	8562	8314	9779	9933
Night Price	43.26	38.99	39.35	58.01	47.63	40.72	41.51	38.66	13.85	13.92	44.57	41.09	59.32	56.18	35.49
Night Quantity	4281	3927	4258	4885	4722	4389	4367	3731	3287	3055	4038	4038	4715	4534	3386



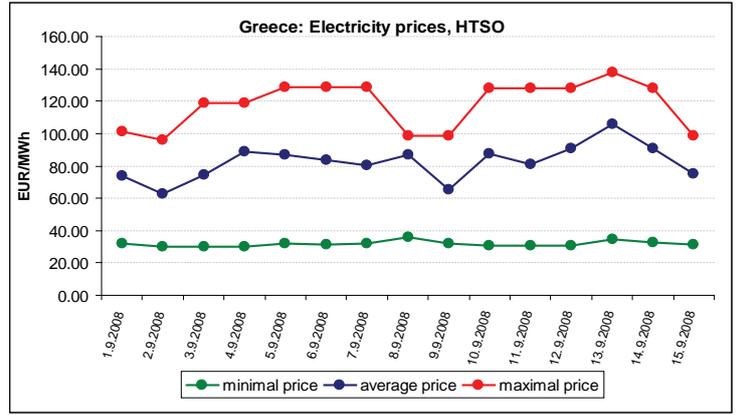
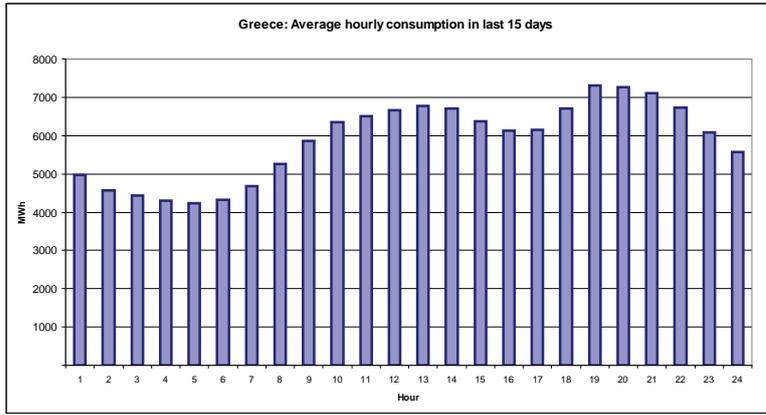
Day Energy (06-22h)
Base energy (00-24h)
Night energy (22-06h)

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
1.11.2008	5140	4740	4500	4350	4300	4310	4470	4780	5400	6000	6320	6500	6650	6600	6200	5970	6000	6400	7100	7050	6840	6450	5900	5450
2.11.2008	5050	4600	4440	4270	4180	4150	4170	4250	4670	5170	5600	6040	6100	5880	5330	5110	5220	5800	6500	6600	6480	6210	5840	5500
3.11.2008	4700	4300	4150	4030	3970	4100	4600	5420	6060	6550	6550	6680	6800	6800	6630	6310	6260	6800	7330	7300	7270	6900	6080	5600
4.11.2008	4900	4530	4350	4250	4200	4300	4700	5500	6100	6600	6700	6800	6840	6800	6600	6350	6350	6870	7500	7380	7140	6800	6100	5600
5.11.2008	4920	4500	4400	4300	4270	4370	4800	5580	6120	6600	6700	6700	6740	6780	6500	6250	6250	6900	7480	7480	7330	6800	6200	5640
6.11.2008	4920	4500	4350	4230	4180	4300	4730	5440	6120	6500	6540	6670	6780	6750	6440	6200	6200	6800	7440	7420	7220	6700	6000	5500
7.11.2008	5000	4580	4400	4300	4250	4340	4800	5570	6200	6660	6700	6780	6840	6840	6580	6330	6250	6900	7490	7350	7220	6800	6100	5600
8.11.2008	5000	4650	4500	4350	4300	4360	4450	4840	5440	5990	6370	6640	6800	6770	6300	6000	6020	6420	7130	7030	6800	6400	5830	5380
9.11.2008	4930	4500	4330	4150	4050	4000	4040	4180	4530	5140	5600	6040	6150	5930	5330	5100	5100	5630	6430	6430	6400	6170	5700	5280
10.11.2008	4740	4330	4230	4100	4100	4170	4780	5560	6280	6770	6830	6940	7060	7000	6800	6440	6300	6850	7420	7400	7320	6950	6220	5680
11.11.2008	4920	4600	4530	4300	4210	4360	4890	5630	6240	6750	6770	6900	7080	7040	6800	6530	6550	7100	7680	7580	7400	6900	6240	5630
12.11.2008	5100	4680	4580	4430	4380	4490	5000	5780	6400	6900	6900	7000	7100	7040	6700	6380	6450	6940	7480	7440	7350	7050	6320	5700
13.11.2008	5140	4720	4630	4510	4430	4550	5050	5850	6440	6840	6830	6900	6900	6850	6650	6430	6640	7300	7720	7750	7600	7160	6400	5800
14.11.2008	5100	4700	4580	4490	4440	4550	5050	5830	6420	6840	6840	6880	6900	6850	6550	6380	6550	7280	7700	7700	7460	7030	6330	5740
15.11.2008	5120	4760	4630	4460	4380	4380	4530	4820	5450	6100	6380	6550	6750	6700	6280	6080	6170	6700	7250	7150	6900	6480	5960	5560
Average:	4979	4579	4440	4301	4243	4315	4671	5269	5858	6361	6509	6668	6766	6709	6379	6124	6154	6713	7310	7271	7115	6720	6081	5577

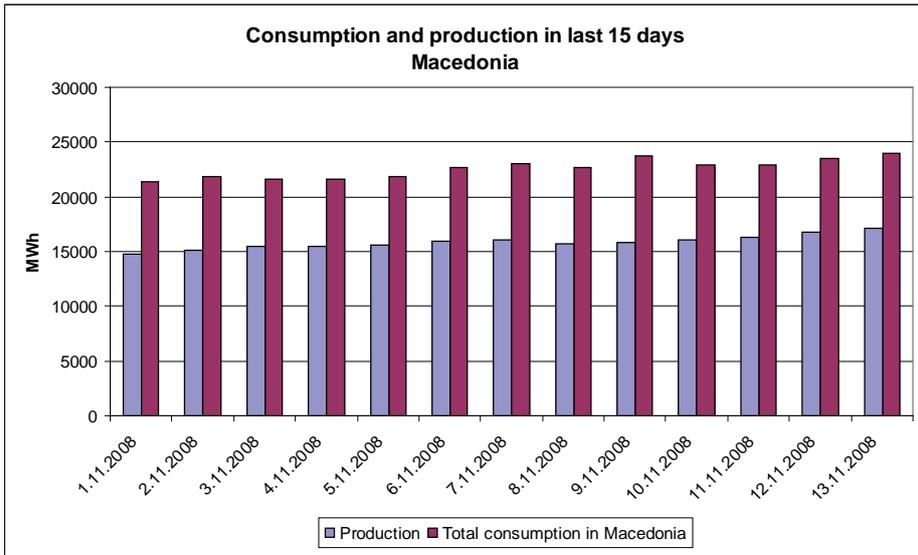
Greece: System Marginal Prices in last 15 days

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.11.2008	53.73	53.73	32.03	33.53	32.03	32.03	31.73	32.03	53.71	89.68	89.69	89.69	89.69	99.85	99.85	89.68	89.68	101.51	99.85	101.55	101.55	99.85	89.68	84.61
2.11.2008	31.73	31.73	32.28	31.34	31.27	29.93	31.19	31.73	32.28	31.73	90.40	82.87	84.42	84.42	33.53	82.87	82.87	90.40	90.40	95.82	95.82	95.82	90.40	81.57
3.11.2008	33.68	31.73	32.62	29.87	29.80	29.80	32.62	84.42	90.40	95.82	95.83	95.83	118.90	95.82	95.82	95.83	95.82	95.83	95.83	95.83	95.83	95.82	90.40	33.65
4.11.2008	42.59	33.65	29.98	31.73	31.34	31.27	82.87	84.23	90.40	118.90	118.90	118.90	118.90	118.90	118.90	95.82	95.83	118.90	118.90	118.90	118.90	90.40	90.40	90.40
5.11.2008	81.57	33.65	33.53	32.28	31.73	32.62	82.87	84.23	95.82	95.83	95.83	95.83	95.82	128.45	95.83	95.82	95.82	128.45	128.45	128.45	128.45	95.83	90.40	82.87
6.11.2008	33.65	33.68	32.62	31.27	31.27	31.73	33.65	90.40	95.82	128.45	95.83	95.83	95.83	95.83	95.83	95.83	95.83	128.48	128.48	128.48	128.48	95.83	95.82	90.40
7.11.2008	42.59	82.87	33.65	32.62	31.73	32.62	33.65	84.42	95.82	95.82	95.82	95.82	95.82	95.82	95.82	95.82	95.82	128.48	95.82	95.83	95.82	95.82	90.40	81.57
8.11.2008	90.76	90.79	81.98	35.63	35.63	35.63	68.26	90.76	90.62	98.37	98.43	98.53	98.63	98.59	98.39	98.37	98.37	98.44	98.73	98.77	98.63	98.43	98.38	84.68
9.11.2008	90.76	32.62	68.23	32.52	34.56	32.07	31.98	33.31	81.95	84.76	82.97	84.59	84.40	84.39	33.47	34.57	34.57	90.50	98.48	98.48	98.48	98.37	90.50	34.57
10.11.2008	68.34	30.64	32.00	30.54	30.54	31.44	35.59	84.57	98.39	98.59	127.81	98.74	127.89	98.78	98.62	98.45	98.39	127.82	127.90	127.90	127.90	127.87	90.58	81.68
11.11.2008	68.39	32.63	31.35	30.58	30.38	32.56	34.54	98.33	90.58	127.70	98.60	98.71	98.76	98.77	98.63	98.49	98.50	98.75	98.79	98.79	98.75	98.71	98.37	83.00
12.11.2008	90.76	34.47	34.60	30.58	31.35	32.56	83.20	90.53	98.37	127.78	98.58	127.80	127.85	98.67	98.49	98.37	98.40	127.77	127.92	127.90	127.90	127.89	90.58	83.02
13.11.2008	90.76	84.82	81.98	36.34	34.50	36.34	90.76	90.50	98.39	137.70	132.51	128.72	128.72	128.71	128.71	127.77	132.51	132.51	132.51	132.51	132.51	132.51	98.38	90.52
14.11.2008	90.76	34.48	36.34	37.11	32.64	68.26	84.77	90.51	98.38	98.56	127.77	98.57	98.58	98.56	98.43	98.38	127.77	127.90	128.04	128.04	98.70	98.67	90.58	83.01
15.11.2008	34.72	34.64	34.59	36.34	32.52	31.35	31.43	36.31	84.72	98.38	98.38	98.43	98.51	98.49	98.38	90.55	90.58	98.49	98.75	98.76	98.57	98.40	90.51	83.09
Average:	62.99	45.08	41.85	32.82	32.09	34.68	52.61	73.75	86.38	101.87	103.16	100.59	104.18	101.60	92.58	93.11	95.38	112.95	111.26	111.73	109.75	103.30	92.36	77.91



Mepso, Macedonia (MWh)

	1.11.2008	2.11.2008	3.11.2008	4.11.2008	5.11.2008	6.11.2008	7.11.2008	8.11.2008	9.11.2008	10.11.2008	11.11.2008	12.11.2008	13.11.2008
Production	14797	15162	15463	15470	15636	15889	16107	15677	15855	16122	16255	16744	17129
Import	6609	6712	6117	6165	6206	6754	6868	7016	7935	6776	6622	6815	6880
Total consumption in FYROM	21406	21874	21580	21635	21842	22643	22975	22693	23790	22898	22877	23559	24009



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

NOS BIH - Bosnia & Herzegovina						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > BIH	-	-	550	-	134	01.-31.12.2008.
Montenegro > BIH	-	-	400	-	200	01.-31.12.2008.
Serbia > BIH	-	-	230	-	115	01.-31.12.2008.
EXPORT						
BIH > Croatia	-	-	700	-	350	01.-31.12.2008.
BIH > Montenegro	-	-	400	-	179	01.-31.12.2008.
BIH > Serbia	-	-	250	-	114	01.-31.12.2008.

ESO - Bulgaria						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Bulgaria	-	-	150	-	150	01.-31.12.2008.
Romania > Bulgaria	-	-	400	-	300	01.-31.12.2008.
Greece > Bulgaria	-	-	300	-	300	01.-31.12.2008.
EXPORT						
Bulgaria > Serbia	-	-	350	-	350	01.-31.12.2008.
Bulgaria > Romania	-	-	100	-	0	01.-31.12.2008.
Bulgaria > Greece	-	-	350	-	250	01.-31.12.2008.

OPS HEP - Croatia						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Croatia	-	-	-	-	550*	01.-31.12.2008.
Slovenia > Croatia	-	-	-	-	100	01.-31.12.2008.
Serbia > Croatia	-	-	-	-	65	01.-31.12.2008.
BIH > Croatia	-	-	-	-	175	01.-31.12.2008.
EXPORT						
Croatia > Hungary	-	-	-	-	200*	01.-31.12.2008.
Croatia > Slovenia	-	-	-	-	100	01.-31.12.2008.
Croatia > Serbia	-	-	-	-	75	01.-31.12.2008.
Croatia > BIH	-	-	-	-	100	01.-31.12.2008.

* Common auction conducted by MAVIR

MAVIR - Hungary						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Croatia > Hungary	600	200	400	200	200	01.-31.12.2008.
Romania > Hungary	300	100	200	150	50	01.-31.12.2008.
Serbia > Hungary	500	100	400	250	150	01.-31.12.2008.
EXPORT						
Hungary > Croatia	1200	200	1000	450	550	01.-31.12.2008.
Hungary > Romania	200	100	100	75	25	01.-31.12.2008.
Hungary > Serbia	600	100	500	275	225	01.-31.12.2008.

MEPSO - Macedonia						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Serbia > Macedonia	450	100	350	148	27	01.-31.12.2008.
Greece > Macedonia	370	100	270	0	0	01.-31.12.2008.
EXPORT						
Macedonia > Serbia	240	100	140	0	70	01.-31.12.2008.
Macedonia > Greece	150	100	50	0	0	01.-31.12.2008.

TSO EPCG - Montenegro						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Albania > Montenegro	-	-	-	-	100	01.-31.12.2008.
BIH > Montenegro	-	-	-	-	100	01.-31.12.2008.
Serbia > Montenegro	-	-	-	-	50	01.-31.12.2008.
EXPORT						
Montenegro > Albania	-	-	-	-	50	01.-31.12.2008.
Montenegro > BIH	-	-	-	-	125	01.-31.12.2008.
Montenegro > Serbia	-	-	-	-	110	01.-31.12.2008.

Transelectrica - Romania						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Bulgaria > Romania	200	100	100	100	0	01.-31.12.2008.
Serbia > Romania	200	100	100	100	0	01.-31.12.2008.
Hungary > Romania	200	100	100	50	50	01.-31.12.2008.
Ukraine > Romania	200	100	100	100	0	01.-31.12.2008.
EXPORT						
Romania > Bulgaria	500	100	400	100	300	01.-31.12.2008.
Romania > Serbia	500	100	400	100	300	01.-31.12.2008.
Romania > Hungary	300	100	200	100	100	01.-31.12.2008.
Romania > Ukraine	120	100	20	0	20	01.-31.12.2008.

EMS - Serbia						December 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
IMPORT						
Hungary > Serbia	-	-	-	-	250	01.-31.12.2008.
Romania > Serbia	-	-	-	-	0	01.-31.12.2008.
Bulgaria > Serbia	-	-	-	-	75	01.-31.12.2008.
Macedonia > Serbia	-	-	-	-	70	01.-31.12.2008.
Albania > Serbia	-	-	-	-	105	01.-31.12.2008.
Montenegro > Serbia	-	-	-	-	180	01.-31.12.2008.
BiH > Serbia	-	-	-	-	125	01.-31.12.2008.
Croatia > Serbia	-	-	-	-	125	01.-31.12.2008.
EXPORT						
Serbia > Hungary	-	-	-	-	200	01.-31.12.2008.
Serbia > Romania	-	-	-	-	50	01.-31.12.2008.
Serbia > Bulgaria	-	-	-	-	75	01.-31.12.2008.
Serbia > Macedonia	-	-	-	-	175	01.-31.12.2008.
Serbia > Albania	-	-	-	-	100	01.-31.12.2008.
Serbia > Montenegro	-	-	-	-	105	01.-31.12.2008.
Serbia > BiH	-	-	-	-	115	01.-31.12.2008.
Serbia > Croatia	-	-	-	-	115	01.-31.12.2008.

- 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)

Danube water-level in cm for last 30 days

relevant for:

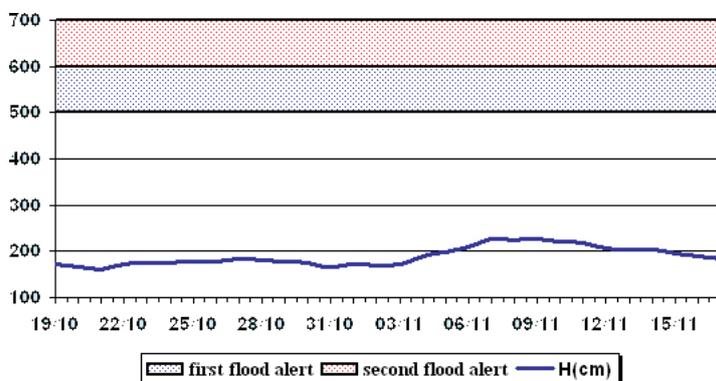
HPP Portile de Fier I, 1167 MW, Romania

HPP Portile de Fier II, 270 MW, Romania

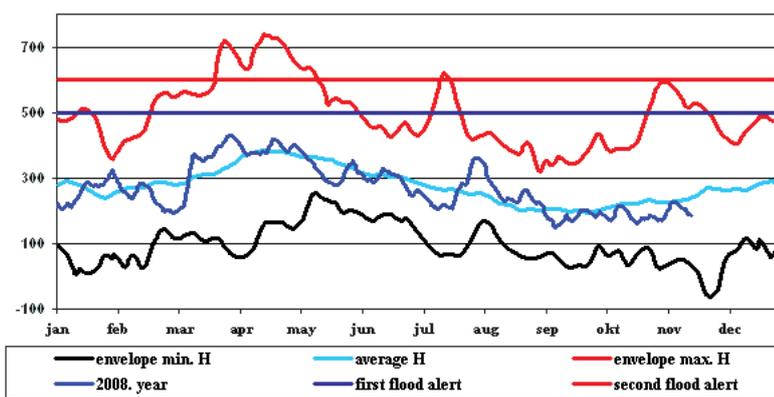
HPP Djerdap I, 1058 MW, Serbia

HPP Djerdap II, 270 MW Serbia

(source: Republic Hydrometeorological Service of Serbia)



Characteristic water stages (in cm)



Forecasted weather conditions for the following period

	18.11.	19.11.	20.11.	21.11.	22.11.	23.11.	24.11.	25.11.	26.11.	October averages.
Albania	T: 5-13	T: 3-14	T: 3-14	T: 3-14	T: 11-12	T: 3-9	T: 0-9	T: 1-9	T: 1-9	Temperature: 10-22
<i>Tirana</i>	W: NE 16	W: NW 6	W: NW 6	W: SW 12	W: N 14	W: NE 8	W: E 20	W: N 11	W: NW 16	Amount of rain: 130
	R: -	R: -	R: -	R: 35	R: 15	R: -	R: -	R: -	R: -	Number of rain days: -
Bosnia and Herzegovina	T: -6-6	T: -5-3	T: -4-3	T: -2-6	T: -2- -1	T: -6- -1	T: -3-3	T: -2-2	T: -4-1	Temperature: 5.7-16.5
<i>Sarajevo</i>	W: SE 10	W: NW 6	W: SW 8	W: SW 20	W: NE 6	W: L-V	W: NE 19	W: -	W: -	Amount of rain: 77
	R: -	R: -	R: -	R: 20	R: -	R: -	R: -	R: -	R: -	Number of rain days: 8
Bulgaria	T: 2-4	T: 1-8	T: 1-7	T: 0-8	T: 0-7	T: -2-5	T: -3-4	T: -1-7	T: -2-9	Temperature: 5.7-16.6
<i>Sofia</i>	W: NE 9	W: L-V	W: SW 11	W: SW 11	W: NW 13	W: NW 6	W: N 6	W: NE 6	W: -	Amount of rain: 35
	R: 5	R: -	R: -	R: 7	R: -	R: -	R: -	R: -	R: -	Number of rain days: 7
Croatia	T: -3-8	T: 1-9	T: -1-8	T: 4-5	T: -3-2	T: -6- 2	T: 2-7	T: 0-7	T: -4-3	Temperature: 5.8-16.2
<i>Zagreb</i>	W: SE 5	W: L-V	W: SW 16	W: W 10	W: W 6	W: N 12	W: NE 11	W: SW 6	W: NW 10	Amount of rain: 71
	R: -	R: -	R: -	R: 7	R: -	R: 3	R: -	R: -	R: -	Number of rain days: 10
Greece	T: 12-16	T: 10-16	T: 11-14	T: 8-16	T: 12-17	T: 9-13	T: 8-12	T: 11-12	T: 9-14	Temperature: 13.4-23.3
<i>Athens</i>	W: W 8	W: NW 6	W: SW 9	W: SW 14	W: SW 40	W: NW 28	W: NE 12	W: NW 10	W: SW 28	Amount of rain: 52
	R: 7	R: 2	R: -	R: -	R: -	R: 6	R: YES	R: YES	R: -	Number of rain days: 7
Macedonia	T: 1-8	T: -4-9	T: 1-6	T: -6-8	T: 3-5	T: -7-2	T: -6-4	T: -3-4	T: -2-3	Temperature: 6.3-19
<i>Skopje</i>	W: NE 6	W: NW 4	W: W 6	W: SW 8	W: NW 14	W: N 9	W: NE 10	W: NW 8	W: -	Amount of rain: 42
	R: 3	R: -	R: -	R: -	R: -	R: -	R: -	R: -	R: -	Number of rain days: 9
Montenegro	T: 4-14	T: 2-9	T: 4-13	T: 2-10	T: 5-6	T: -2-6	T: -1-8	T: 1-8	T: 2-8	Temperature: 11.7-21.7
<i>Podgorica</i>	W: NE 12	W: NW 6	W: NW 6	W: SW 12	W: NE 12	W: NE 6	W: NE 24	W: NW 6	W: NE 8	Amount of rain: 166
	R: 8	R: -	R: -	R: 45	R: 3	R: -	R: YES	R: -	R: -	Number of rain days: 9
Romania	T: -1-4	T: -1-4	T: -2-4	T: 1-9	T: 2-3	T: -3-3	T: -3-1	T: -6-2	T: -4-1	Temperature: 5.7-18
<i>Bucharest</i>	W: NE 9	W: NW 8	W: SW 20	W: SW 20	W: W 22	W: W 11	W: NW 8	W: L-V	W: NW 10	Amount of rain: 32
	R: -	R: -	R: -	R: -	R: 4	R: -	R: -	R: -	R: -	Number of rain days: 5
Serbia	T: -2-8	T: -2-4	T: -1-4	T: 3-6	T: 0-1	T: -4-2	T: -1-6	T: 1-5	T: -2-2	Temperature: 8.3-18
<i>Belgrade</i>	W: SE 6	W: SW 10	W: SW 12	W: SW 12	W: SW 14	W: NW 8	W: NW 11	W: SE 6	W: -	Amount of rain: 40
	R: -	R: -	R: -	R: 10	R: -	R: -	R: -	R: -	R: -	Number of rain days: 8

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

Analysis:**Nuclear power generation in Romania**

In this issue of Balkan Energy NEWS, we will present to you current status and recent developments regarding nuclear power generation in Romania.

Nuclearelectrica

Nuclearelectrica S.A is state owned company, which is responsible for the nuclear powered generation of electrical and thermal energy, and manufacturing of nuclear fuel. Nuclearelectrica is reporting to the Ministry of Industry and Finance and the state owns 90,28% of Nuclearelectrica shares, while Fondul Proprietatea owns 9,72%.

Nuclearelectrica has two branches:

- Cernavoda NPP Division, which operates Cernavoda NPP Units 1 and 2 and the auxiliary services and performing the preservation of Unit 3, 4 & 5 until completion and commissioning
- "FCN – Pitesti" the Nuclear Fuel Plant, which is manufacturing nuclear fuel for Cernavoda NPP Units 1 & 2

Nuclearelectrica plans to produce 10.1 TWh of electricity in 2008, which should account for 17-18 % of overall electricity production in the country. In 2007, the estimated turnover of Nuclearelectrica reached some 263 million euros, which would be 35 % higher comparing 2006. In 2008, the company plans to report 300 million euros of turnover.

In July this year, Nuclearelectrica celebrated ten years of successful operation. The company doubled its capacities in this period, which supported stability of electricity prices in the country. In this 10 year period, the company produced 66 TWh of electricity. Average availability rate is above 88%.

Nuclearelectrica should be listed on stock exchange in the 2009. Government said it should offer 15 % of shares in Nuclearelectrica through initial public offering (IPO). The funds obtained in IPO should be invested in construction of units 3 and 4 in NPP.

FCN – Pitesti

The fabrication of the CANDU nuclear fuel started in 1980, through the commissioning of a CANDU type Fuel Pilot Plant operating as a department of the Nuclear Research Institute Pitesti. The separation of the Nuclear Fuel Plant from Nuclear Research Institute Pitesti, as a distinct branch, occurred in 1992. In 1994, AECL and Zircotec Precision Industries Inc., from Canada, qualified the Nuclear Fuel Plant as a CANDU 6 fuel manufacturer.

In 2004, FCN Pitesti was upgraded and its production capacity was increased in order to ensure the operation of two units.

Two years later, nuclear fuel was delivered for NPP Cernovoda Unit 2.

NPP Cernovoda

NPP Cernovoda is located in Dobrogea area, near town of Cernovoda (southeast of Romania). It has been built near Danube, to ensure proper cooling of the NPP. Also, Dobrogea region has low seismic activity. Construction of the Unit 1 has started in 1982, and it was connected to power grid in 1996. Since feasibility study, NPP Cernovoda is predicted to have 5 identical units, but for now, only two units have been constructed and operational.

NPP Cernavoda has a gross output of 2*706 MW, while thermal power is 2 180 MWt. It was built by a consortium of Atomic Energy of Canada and Ansaldo of Italy, with some American equipment (General Electric from USA was also involved in construction of NPP. NPP Cernovoda has CANDU type reactors which uses natural uranium fuel, using heavy water of nuclear grade as moderator and coolant, in two independent closed systems.

In 2007, first unit of NPP Chernovoda achieved record production of 6.0 TWh of electric energy. The electricity annually generated by the Cernavoda NPP Units 1 and 2 represents approximately 18% of the overall electricity production of Romania.

Unit 1 annually supplies 60 000 to 80 000 Gcal for the heating of the town of Cernavoda and for the industrial consumers in the industrial area near the plant.

It is interesting to mention that NPP Cernovoda had problems with cooling system, due to higher temperatures and reduction of Danube flow. In June 2007, NPP was almost disconnected from the grid. NPP was in similar situations in 2003. The reduction of the Danube flow was 40 % comparing to multi-year average. In August 2007, unit 1 has achieved 300 days of uninterrupted operation.

2nd unit of NPP Cernovoda

6 years after putting in operation of Unit 1, a contract for the commissioning of Unit 2 of NPP Cernovoda has been signed. In February 2007, loading of nuclear fuel in unit 2 in nuclear power plant (NPP) Cernavoda has started. Total amount of 4,560 nuclear rods or nearly 100 tons uranium was placed. The uranium was produced in Romania in factory in Pitesti, and Nuclearelectrica purchased overall amount of 120 tons uranium and paid 7.8 million euros for it. Nuclearelectrica also announced to buy 15 million euros worth heavy water for future units 3 and 4 in NPP Cernavoda.

In May, 2nd unit has started a chain reaction, after the National Commission for Nuclear Activities issued the authorization. Unit 2 was connected to electricity grid for the first time on August 7 on 17:21 hours. The 700 MW pressurized heavy water reactor (PHWR) of the Candu 6 design, delivered by Atomic Energy of Canada (AECL), was connected to the grid at 25% of maximum power.

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

On October 5, Prime minister of Romania, Calin Popescu – Tariceanu, officially inaugurated unit 2 (700 MW) in nuclear power plant (NPP) Cernavoda. Unit 2, as well as unit 1, was built by consortium of AECL (Canada) and Ansaldo (Italy). With new unit in operation, nuclear energy would provide 18 % of overall electricity production in the country.

Units 3 & 4

The initial tender for the construction of units 3 and 4 was launched in 2006th, when ministry of economy and trade accepted 13 letters of intentions, including Enel SpA, E.ON, Iberdrola, RWE, as well as a consortium between Canada's EAEL and Italy's Ansaldo. Tender was canceled.

In January 2007, Nuclearelectrica prepared feasibility studies for units 3 and 4. For that purpose, ministry of economy and commerce established the commission that would start negotiations with the companies that submitted letters of intention for construction of those units. The cost of the construction of two units is estimated at 2.2 billion euros, which should be provided by the project company, and units should be completed in six years.

The ministry has selected following companies that have submitted letters of intentions: Electrabel (Belgium), Electrica (Romania), RWE Power (Germany), E.ON Energy (Germany), Enel (Italy), Iberdrola (Spain), KHNP (South Korea), AES (USA), Ansaldo (Italy) in a consortium with AECL (Canada), Unit Investments Luxembourg – Dogan Enerji Yatirimlari/Dogus Holding (Belgium-Turkey, Gabriel Resources (Canada), Alro Slatina (Romania), ASAM-TESS Conex Iasi (Romania).

In June 2007, the government of Romania approved the strategy for selection of future investors interested for construction of units 3 and 4 in NPP Cernavoda. Ministry of economy and finance was in charge for the selection procedure. According to strategy, the units should be built by the private investor with sufficient capital, which will be capable for cooperation with Nuclearelectrica. The procedure is approved by EU. The additional funds for the project should be provided through issuing of shares or bonds. In that time, government planned that construction would start in 2008 and that new company for construction would be established until March 31st 2008th. By that scenario, the units should be operational by 2014th (construction period of 64 months). The units should be constructed almost simultaneously.

The selected investors will be obliged to invest 30 % of the necessary funds in cash. The project company will be registered in Romania, while none of the shareholders will control majority stake in the company.

In August 2007, The government of Romania published a new tender for construction of unit 3 and 4 (700 MW each) in nuclear power plant (NPP) Cernavoda. The new tender was waiting for new government strategy, which was adopted in June.

The bids were to be submitted until October 25th. 32 companies purchased tender documentation. President of Romanian Nuclear Energy Association said the documentation was acquired by seven energy producers, six large energy customers, ten power distribution companies and five potential goods and service contractors. Among the others, the interest was expressed by Energy Holding, Rompetrol, Alro Slatina, Lafarge, ArcelorMittal, ENEL Silcotub, CEZ, EON AFEN, Ansaldo, Tescoex Iasi, EGL, BNP Paribas and RWE.

The six companies submitted binding bids for construction of units 3 and 4 in NPP Cernavoda: Electrabel, Enel, Iberdrola, CEZ, Arcelor Mital and RWE. Nuclearelectrica confirmed it accepted all six bids for construction of units 3 and 4 in the NPP.

In December 2007, Director of department of energy policies at the ministry of economy and finance, Alexandru Stanculescu, said that negotiations with future strategic partners interested for construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda should be completed by the end of January next year. The negotiations would focus on establishment of joint venture, where all companies could be included in the project. The original deadline was set to January 31, 2008, but it was delayed. Chirica explained that company could request from ministry of economy and finance to give them a little more time, which will be in the best interest of entire project.

In March 2008, a possibility that all companies (6) might be included in project has been unofficially announced. The future investors should have equal share of some 10 % in the project. The investors will be obliged to invest 30 % in cash for the project.

On the other hand, according to media in Czech Republic, CEZ, Electrabel, Enel and RWE could acquire 15 % stake in the project, while Iberdrola and Arcelor-Mittal should control 10 % each. The rest of 20 % of shares should be controlled by operator of existing units in NPP Cernavoda, Nuclearelectrica. Spokesperson of CEZ denied commenting abovementioned announcements before the agreement was signed and approved by all companies.

In April 2008, Minister of economy and finance Varujan Vosganian announced that Romania's shares in the project company that will build units 3 and 4 in nuclear power plant (NPP) Cernavoda should reach 51 %. The state should provide funds for the project by funds acquired through previous privatization procedures.

Also, that month, the government of Romania officially decided that Nuclearelectrica would control 51 % stake in the project as a contrary to original plans, where state should have controlled some 20 % stake, while strategic partners should have owned 15-20 % each. The future partners in the project will be CEZ, Iberdrola, Enel, Electrabel, RWE, ArcelorMittal and Nuclearelectrica.

The proposal for increase of Nuclearelectrica's stake came after polls showed that public in Romania is in favor of such move and after future strategic partners agreed on their stakes in the project. Minister Vosganian said the latest decision was motivated by national and economic interests. In June 2008, 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.

According to minister, the negotiations regarding the start of the project should be finished by the end of the year 2008. Estimated cost has rose from 2.2 to "between 2 and 4 billion euros", where exact value should be determined after completion of new feasibility study. The new study will be financed by all future partners, i.e. CEZ, Iberdrola, Enel, Electrabel, RWE, ArcelorMittal and Nuclearelectrica.

Commenting the latest increase in estimated project costs, director of CEZ Romania Adrian Borotea said the increase was unjustified. He also said that this change happened when government decided to increase its share in the project, which was very illogical.

On the other hand, officials from CEZ believe that projects deadlines will be prolonged at least for a year, having in mind the latest changes imposed by the government of Romania. CEZ explained that it would be necessary to restart all negotiations and original calculations.

In the end of August 2008, Nuclearelectrica, the operator of nuclear power plant (NPP) Cernavoda, and ministry of economy and finance, continued negotiations with six investors interested in construction of units 3 and 4 in NPP. The meeting was attended by minister of economy and finance Varujan Vosganian, representatives of investors, general manager of Nuclearelectrica Teodor Chirica and Deloitte, the consultant for the procedure. The negotiations were delayed for five months.

The participants of the meeting decided that negotiations needed to be completed until December 2008. Until that time, final agreement with investors should be signed after which it should be approved by the government.

Head of Nuclearelectrica believes that project company should be established by March 2009. According to initial plans, the project company should have been established in March 2008. Chirica also confirmed that none of investors intends to abandon the project. Chirica confirmed that new estimations showed that cost of the project should reach 4 billion euros, instead of original amount of 2.2 billion euros

According to the statements of ministry of economy and finances from July, the construction works will be delayed for one year comparing to original plans, i.e. the works will start in 2010, while new units should be operational in 2015.

Recent developments regarding second NPP

In February 2007, Minister of economy confirmed that one of the main objectives for the Romania would be to increase nuclear power output up to 30 % of overall power production by 2015th. In the same time, the share of hydropower production should be 30-35 %, while the thermal power output should amount to 35 %.

In October 2007, Prime minister of Romania, Calin Popescu – Tariceanu, confirmed it had asked from ministry of economy to look for suitable location for construction of second NPP in Romania. Prime minister believes the country must develop its power production facilities in order to avoid dependence on energy import. According to previous analyses, the potential construction sites for new NPP could be along Olt River, in Fagaras or in Moldova.

The same support for use of nuclear energy was expressed by president of the state Traian Basescu during the Conference on energy security held in Vilnius. He called for usage of safe technology and high security standards. President pointed out that Romania is the country with complete nuclear cycle and uranium reserves.

In March 2008, the head of Nuclearelectrica Teodor Chirica also expressed his believes that Romania will be needing second NPP after 2020. The future NPP should have two or four units, Chirica said. His statement was following Prime Minister Calin Popescu Tariceanu statement regarding plans for construction of new NPP in order to diversify energy sources in the future. In 2007, Tariceanu several times spoke about the necessity for construction of second NPP in the country.

In May 2008, Minister of economy and finance Varujan Vosganian confirmed that government had allocated funds for the feasibility study related to construction of the second NPP in the country. In October, Ministry of economy and finances has started study for selection of construction site for new NPP.

Table: Monthly nuclear generation in Romania (In GWh)

	1	2	3	4	5	6	7	8	9	10	11	12	Sum
2000	517	459	528	472	527	504	436	445	506	139	513	410	5456
2001	477	478	530	513	530	510	519	56	267	529	509	528	5446
2002	491	269	409	473	156	446	479	477	466	493	474	473	5106
2003	491	445	467	472	249	0	438	347	168	522	475	490	4564
2004	488	456	439	466	489	470	480	425	0	474	471	488	5146
2005	402	383	487	474	487	468	440	289	283	490	440	489	5132
2006	486	440	487	372	489	471	479	479	124	413	475	489	5204
2007	489	442	488	474	478	463	473	502	639	766	870	969	7053

News:

Government approved participation in Adriatic-Ionian natural gas project (Bosnia and Herzegovina)

Council of ministers of Bosnia and Herzegovina (BiH) approved participation of BiH in project for construction of Adriatic-Ionian natural gas pipeline.

In September 2007, governments of Montenegro, Croatia and Albania signed ministerial declaration for construction of new pipeline. At the time, signatories invited BiH to join the project.

The government obliged ministry of foreign trade and economic affairs to undertake necessary activities to become part of ministerial declaration for the project.

The new 400 km long pipeline should be built in cooperation with Swiss EGL, and the pipeline will run from Fier (Albania), across Montenegro, toward Ploce (Croatia). Estimated cost of the project is some 230 million euros.

§ § §

The project engineers for new power plants to be selected by the end of the year; political disputes regarding strategic partners continue (Bosnia and Herzegovina)

General manager of Power utility of Bosnia and Herzegovina (BiH) Amer Jerlagic said that procedure for selection of project engineering companies that will prepare general designs and necessary documentations for six new power plants in Federation of BiH should be completed by the end of the year.

Jerlagic confirmed that tender for selection of project engineer for hydropower plant (HPP) Unac would be most likely repeated since only one company applied in the tender. In the same time, it was not yet decided who will win the contract for designing HPP Ustikolina.

General manager confirmed that projects for three power plants (TPPs), Kakanj, Tuzla and Bugojno, and HPP Vranduk will be carried out by different consortiums. He did not want to reveal which companies will win the contracts.

According to local media, local consortium of Energoinvest and IPSA, Geological institute from Tuzla, and several companies from Slovenia should be granted the engineering contracts.

As a reminder, two years ago, federal ministry of energy signed the contract with Austrian APET Group regarding preparation of documentation for construction of new power plants. Soon after, government selected APET Group, along with German EnBW and KazTransGas to be strategic partners in construc-

tion of four HPPs and four TPPs in Federation of BiH. Overall power output in new power plants is some 2,000 MW and the cost of the project was estimated at 3.5 billion euros at the time.

The government's decision was immediately criticized by several politicians and local media who said the tender procedure was not legal. The critics were especially against selection of APET Group. In February last year, the parliament of Federation of BiH demanded additional analyses regarding the tender procedure.

In the last year, the procedure for selection of strategic partners became one of the main disputes between two leading political parties, SDA and SBiH. According to the latest news, the disputes could cause fall of the government. SBiH claims that tender procedure was attempt of robbery of BiH's natural resources.

In November, federal ministry of energy, mining and industry informed the public it had posted on its website the documents on the activities for selection of strategic partners in electricity sector.

In the same time, in the beginning of November, APET Group sent a letter to prime minister of Federation of BiH Nedžad Brankovic. The letter said that selection procedure became political issue negatively depicted by several local media. The company wants to put end to the political implications and requested urgent meeting with the prime minister in order to discuss their participation in the procedure.

§ § §

Electricity prices to rise 5 % next year (Bosnia and Herzegovina)

According to local press, electricity prices for households in Federation of Bosnia and Herzegovina (BiH) should rise 5 % next year.

Executive director of Power utility of BiH (EP BiH), Emir Aganovic, confirmed that electricity prices might be increased next year. The company is currently involved in making the business plans for the next year, and after this was completed, the company could decide to submit request for increase in prices to energy regulator (FERK), director said.

The increase in prices could be boosted by increase in coal prices, i.e. if the government accepts demands of mining companies for increase in coal prices, Aganovic said.

Ministry of trade confirmed it had received demands from ten coalmines regarding 20 % increase in coal prices, i.e. from 2.3 euros/gigajoule up to 2.8 euros/gigajoule.

§ § §

ERS to export 1.3 TWh of electricity next year (Bosnia and Herzegovina)

Power utility of Republic of Srpska (ERS) plans to export some 1.3 TWh of electricity in 2009. This was said by Ilija Tamindzija director of Department of production in ERS.

According to plans, overall gross consumption in RS in 2009 should reach 3.4 TWh or 2.8 % higher compared to the planned amount in this year. The gross electricity losses in distribution network are estimated at 14 %.

In 2009, total electricity production should reach 5.288 TWh, which would be close to this year. However, overall production in thermal power plants (TPPs) should be 3 % higher compared to 2008, while production in hydropower plants (HPPs) should be 80 GWh lower.

In order to meet planned output, ERS should provide 3.735 million tons of coal, i.e. 2.05 million tons for TPP Gacko and 1.675 million tons for TPP Ugljevik.

In the related news, according to official data, ERS reported 55.6 million euros of income from electricity export during the first eight months in this year. In period January-June, ERS exported overall amount of 1.13 TWh, while electricity export in this year should reach 1.52 TWh, company said.

§ § §

Oil refinery in Brod to start operations, first shipment of crude oil arrived (Bosnia and Herzegovina)

General manager of Oil refinery in Brod, Aleksandar Litvinienko, confirmed that 30,000 tons of crude oil was delivered to the refinery, which was technically ready to start oil refinement. The last time, refinery was in operation in July 2005.

Head of the refinery also said that latest inspection showed that supply oil pipeline was not damaged and that refinery should be put in operation in mid November. The first fuel from the refinery could be delivered to the market by the end of November.

The start of oil production was enabled after Council of ministers of Bosnia and Herzegovina approved the old Bylaw on fuel quality, which will allow production of diesel and light fuel oil with higher percentage of sulfur. The decision was welcomed by chair of the Council, Nikola Spiric as well as the prime minister of RS, Milorad Dodik. The Bylaw will be in power until June 30, 2009.

The new owner of the refinery, Russian NefteGazInkor, has managed to repair old processing line, which has 1.2 million tons of annual capacity. After new processing line was put in service, processing output will be increased up to 4.2 million tons. The refinery will produce fuel in accordance to European standards, where total output will exceed national needs, Litvinienko pointed out.

According to initial estimations, the price of fuel produced in Brod refinery should be 10 % cheaper compared to import prices. Having in mind that annual fuel consumption in BiH stands at some 1.2 million tons, the start of production in the refinery should reduce trade deficit by some 500 million euros, the first estimations showed.

§ § §

TPP Ugljevik met annual production target (Bosnia and Herzegovina)

Thermal power plant (TPP) Ugljevik (250 MW) has met production target for this year, i.e. in the first ten months overall electricity production reached 1.412 TWh.

Director of TPP Anto Gajic said the management decided to raise production target up to 1.537 TWh, which should be the highest output since the beginning of war in Bosnia and Herzegovina (BiH).

Director also announced that company would proceed with modernization projects, where 17.5 million euros should be invested for reconstruction of boiler and 58 million euros should be invested for desulphurization project.

The reconstruction of the boiler was seen as the most important investments in the plant's 25-year long history, which should prolong plant's operational life by another 20 years. The tender for the project was launched and the contractors should be selected in this year, so that reconstruction should start in 2010, director of the TPP said.

The desulphurization project should be funded through 58 million euros worth loan granted by the government of Japan. The project is yet to be approved by the government of Republic of Srpska (RS) and Council of minister of BiH.

§ § §

Government to launch tender for construction of HPPs on Bosnia River (Bosnia and Herzegovina)

Prime minister of Federation of Bosnia and Herzegovina (BiH) Nedžad Brankovic announced that government should launch public invitation for utilization of hydropower potential of Bosnia River.

PM confirmed this during the meeting with representatives of Norwegian company Technor Energy, which expressed interest for the project. Norwegian company was already granted permits for construction of two small hydropower plants (HPPs) near city of Doboj.

In September this year, local media reported that government should launch the project for construction of 20 small HPPs with overall output of 400 MW on Bosnia River. The project will be part of larger project for regulation of flow of Bosnia River and it should be jointly developed by Power utility of BiH (EP

BiH) and Power utility of Republic of Srpska (ERS), sources said at the time.

§ § §

Agreement on energy policy adopted; disputes related to Elektroprenos and payment of natural gas debt to be resolved (Bosnia and Herzegovina)

In the beginning of November in Banja Luka, the highest officials of Bosnia and Herzegovina (BiH), the chair of Council of minister of BiH, Nikola Spiric, the prime minister of Federation of BiH, Nedžad Brankovic and the prime minister of Republic of Srpska (RS), Milorad Dodik, signed the Agreement on the principles of energy policy.

The agreement should help resolving the problems related to natural gas debts toward Gazprom as well as to problems in national electricity transmission company Elektroprenos, prime minister Dodik said.

The agreement has also defined basic principles related to transport and distribution of oil and natural gas, prime minister Brankovic explained.

According to Brankovic, 104.8 million dollars debt toward Gazprom (for delivered natural gas during war in BiH) should be paid through introduction of additional fee of 5 dollars per each 1,000 cbm of natural gas imported from Gazprom.

In the same time, two entities in the country agreed on joint development of natural gas grid and construction of liquefied natural gas terminals, Brankovic concluded.

§ § §

NEK asked RWE to sign agreement for Belene project (Bulgaria)

National electric company (NEK) said it was willing to wait until spring next year to sign the investor agreement with RWE, the future strategic partner in project for construction of nuclear power plant (NPP) Belene. In spring next year, the construction works in the NPP are scheduled to start.

On the other hand, ministry of energy confirmed it had not set the deadlines for shareholders agreement, according to which RWE will be granted 49 % stake.

Deputy energy minister Yavor Kuyumdzhev said it would be unreasonable for RWE to change its plans due to pressures of environmentalists' organizations. Deputy also said the state would be forced to look for other investors in case of RWE's withdrawal or to finance the NPP from its own funds. The final option could be Russian offer to provide funds for the NPP, Kuyumdzhev said.

The statements of Bulgaria's officials came after various environmentalists' organizations organized protests in Germany in order RWE not to joint the project. According to Green-

peace officials, Belene project is among the most dangerous project in the World, having in mind that construction site is earthquake prone. In 1977, the region of Belene was hit by earthquake. Greenpeace quoted experts from German federal agency for geophysics that said the region could be hit by serious earthquake in the nearest future.

On the other hand, according to the study made by Bulgarian academy of science, the construction site is not endangered by earthquakes. In the same time, Russian AtomStroyExport, who will deliver and install equipment for the plant, said its equipment was designed to endure potential earthquakes.

German papers said that Supervisory board of RWE could delay decision for officially joining the project. The sources imply that RWE wants to make sure that project was not risky, but also to wait for the development of global financial crisis.

In the beginning of October, RWE was selected as winner in the tender for strategic partner. RWE outbid Electrabel by offering 1.275 billion euros for 49 % stake in NPP, 550 million euros as a cash premium and 300 million euros loan for funding the operational expenses and ordering the equipment for the NPP.

According to original announcements, the shareholders agreement between NEK and RWE should have been signed in the end of October. Bulgarian officials recently announced the agreement could be signed in November. Head of the working team in charge for the project, Ivan Atanasov, confirmed that RWE sent the latter in which it thanked for becoming the strategic partner and confirmed it would meet its commitments. RWE also confirmed it wish to include Electrabel or some other of the previous candidates in the project.

§ § §

Power exchange to be established in mid 2009 (Bulgaria)

Deputy minister of energy Yavor Kuyumdzhev announced that Bulgaria should establish power exchange by the spring 2009. Deputy said this during the 10th Economic Forum for Southeast Europe.

The future exchange is aimed to establish market electricity prices and to increase income for future investors. Deputy said the exact model of the exchange is yet to be decided, where the ministry has been analyzing the models from Leipzig and Prague.

In 2007, electricity sales in competitive market increased by 100 % reaching 7.5 TWh, which underlined the need for establishment of power exchange, deputy said.

In this moment, National electric company (NEK), Nuclear power plant (NPP) Kozloduy, large thermal power plants, electricity distributors E.ON, EVN and CEZ have electricity trade licenses. They sell electricity to large companies that are obliged to purchase part of its needs on free market.

§ § §

NEK and AtomStroyExport agreed on deadlines for delivery of equipment for NPP Belene (Bulgaria)

In the beginning of November, National electric company (NEK) and Russian AtomStroyExport signed annex to the preliminary agreement for construction of nuclear power plant (NPP) Belene (original document signed in November 2006). This was confirmed by Russian company.

The annex, signed by CEO of NEK Lyubomir Velkov and president of AtomStroyExport Leonid Reznikov, defined new deadlines for delivery of reactors, steam generators, turbines and electric generators as well as deadlines for financial payments. Russians did not reveal any details regarding the annex as well as NEK who said that citizens would not be interested in timetables for delivery of equipment, while payments are considered as secret.

On the other hand, NEK confirmed that AtomStroyExport submitted firm guarantees regarding the new deadlines, which are in accordance to those set in preliminary agreement. There are no grounds to talk about any delays in the project, NEK concluded.

According to original deadlines, units 1 and 2 (1,000 MW each) in NPP Belene should be put in service in 2013 and 2014, respectively.

§ § §

Sofia heating company to be transferred to the state (Bulgaria)

In mid November, Council of municipality of Sofia voted in favor of transferring its shares in the company to the state. According to the vote, the municipality will have option to transfer all of its shares, i.e. 58 % stake or to keep 25 % stake in the company. The transfer of shares was approved by the creditors, while the amount of shares to be transferred will depend on the state's decision.

The nominal worth of shares to be transferred is some 33 million euros. In the same time, market value of Sofia heating company is estimated at some 250 million euros.

In the beginning of November, minister of economy and energy Petar Dimitrov announced that the government of Bulgaria would accept offer of Council of municipality of Sofia to transfer 58 % of stake in Sofia heating company to the state.

Previously, despite initial approval, the state rejected municipality's proposal to inject 28 million euros in the company in order to pay debts toward natural gas supplier Bulgargaz and to increase its stake up to 75 %. The minister Dimitrov explained that cash injection would be considered as the state aid, which would be against EU rules.

In the past several months, the responsibility for financial problems in Sofia heating company was in the middle of political

disputes between minister Dimitrov and major of Sofia Boyko Borisov. The municipality is controlled by leading opposition party GERB, while Dimitrov is the member of ruling BSP party.

Commenting the latest development, major Borisov said the government had forced municipality to reach the latest decision.

In the beginning of November, cumulated debts (some 40 million euros) and reduced deliveries by Bulgargaz forced Sofia heating company to deliver heat only to hospitals, kindergartens and schools. This was said by the head of the company Petko Milevski. The delivery of heat to all customers of Sofia was gradually started in mid November. The company supplies some 400,000 customers.

In the related news, shortly after municipality council supported transfer of shares of Sofia heating company, the government decided to increase capital in Bulgarian energy holding (BEH), part of which is Bulgargaz, in order to help the company after heating company was not able to pay its debts.

According to the government, the measure was aimed to enable safe operation of Sofia heating company, having in mind that Bulgargaz will be able to provide continuous supply of natural gas.

The government still did not decide what amount of the shares in heating company would be transferred, yet it said it would undertake immediate actions in order to improve company's performance.

§ § §

EVN wants to get involved in Gorna Arda project (Bulgaria)

Austrian EVN, the owner of electricity distributors in Plovdiv and Stara Zagora and heating company in Plovdiv, sent official letter to the ministry of economy and energy regarding its intention to become strategic partner in (currently frozen) hydropower project Gorna Arda.

This was said by the CEO of EVN Bulgaria Stefan Shishkovitz. EVN clearly said it was willing to invest funds in Gorna Arda project, and it has been waiting for government's answer.

As a reminder, the Gorna Arda project has been developed by National electric company (NEK) (69.9 %) and Turkish company Turkish Ceylan Holding. The project was delayed for seven years due to lack of funds. The project was initiated in 1998 under power-for-infrastructure cooperation agreement between Bulgaria and Turkey. Bulgaria claimed the project failed due to bankruptcy of Turkish partners. The Gorna Arda project is considered as one of the priority in the national energy strategy, which should be approved by the government by the end of November.

In the same time, CEO of EVN Bulgaria reminded that EVN, in cooperation with its partners, would build 40 MW wind farm near Varna, while solar power plant near Sliven should be built by the end of 2009. The company is also interested in strategic

partnership in project for construction of new coal fired power plant in Maritsa Iztok basin, Shishkovitz said.

The project in Gorna Arda will be in accordance to EVN's strategy to secure 50 % of its overall electricity needs from its own production. The first priority will be development of renewable energy sources, Shishkovitz said.

CEO also announced that EVN plans to introduce single bills for its electricity and heat customers in Plovdiv in the next year in order to reduce expenses.

§ § §

Negotiations regarding share swap with MOL temporarily cancelled (Croatia)

The negotiations between government of Croatia and Hungarian MOL related to the share swap between Croatian oil industry (INA) and MOL were temporarily cancelled in mid November. The main reason for cancellation was the global financial crisis, which caused 27 % drop for MOL's shares.

The changes in privatization contract for INA are necessary having in mind that state's stake was reduced below 50 %, after the latest IPO launched by INA's strategic partner MOL. In this moment, the government controls 44.83 % stake in INA, while MOL controls 47.15 %.

Vice prime minister of Croatia Damir Polancec said that the government could agree on share swap if MOL accepts prolongation of veto rights for the government and if two parties agree on restructuring of natural gas division in INA.

Polancec explained that government proposed to MOL that natural gas import, storage and supply divisions should be transferred to the state, while natural gas production division would remain part of INA.

The government believes that only the state-owned natural gas supplier would be interested in providing the cheapest natural gas for citizens of Croatia, Polancec explained.

In this moment, Croatia, which spends some 3.2 billion cbm of natural gas per year, imports 40 % of its natural gas needs, and the new supply contract with Gazprom should be signed in the beginning of 2009. The current supply contract with Gazprom is due to expire in 2010. In this moment, INA imports natural gas from Russia at average price of 325 euros/1,000 cbm, and sells it to domestic customers at average price of 170 euros/1,000 cbm.

§ § §

Leading companies interested in construction of HPPs on Moraca River, Montenegro (Croatia)

Leading Croatian construction companies, the Civil engineering Institute of Croatia (IGH) and Ingra company confirmed

their interest for construction of four hydropower plants (HPPs) on Moraca River in Montenegro.

As a reminder, in the end of October, the government of Montenegro published public invitation for submitting the letter of interests in the project for construction of four HPPs with overall power output of 238 MW and annual electricity production of 693 GWh. The cost of the project is estimated at 500 million euros. The project includes construction of three 60 meters high dams and one 150 meters high dam. The letters of interest could be submitted by December 1.

According to official release, Ingra confirmed it had established contacts with embassy of Montenegro and Montenegro's chambers of commerce regarding the project.

The unofficial sources say that Ingra and IGH have been negotiating with local companies Dalekovod and Konstruktor regarding establishment of consortium for the project.

Both IGH and Dalekovod are currently present in Montenegro. Dalekovod is involved in construction of high voltage substations in Montenegro, while IGH is involved in construction of road network near Kotor.

§ § §

New wind farm to be operational in March next year (Croatia)

German company Enersys announced that new wind farm near city of Sibenik should be put in trial operation by the end of the March next year.

New wind farm will be built on site Orlice and it will have 12 wind generators with overall output of 10 MW. The cost of the project is estimated at 10 million euros.

The wind farm should produce some 25 GWh of electricity per year, where the entire output will be purchased by Croatian power utility (HEP).

The German company has also built 12 MW wind farm at the site Trtar-Krtolin, also near Sibenik, which has been in operation in the past two years. In that period, the wind farm produced 62 GWh of electricity, Enersys said

Officials from Sibenik-Knin County confirmed that interest of investors for construction of wind farms is very high. According to spatial plans of the County, there are 17 potential construction sites for wind farms with overall power output of 250 MW. So far, some 110 investors submitted requests for wind power projects. In this moment, several companies are involved in wind research projects.

There are two operational wind farms in Croatia. In the next year, besides abovementioned wind farm, the wind farm Vratarska near city of Senj should be put in service. With 42 MW output, it will be the largest wind farm in Croatia.

§ § §

Construction of HPP Lesce in accordance to plans (Croatia)

In the first week of November, the Management board of Croatian power utility (HEP) had a working meeting regarding the progress in the project for construction of hydropower plant (HPP) Lesce (42 MW). The meeting took place at the site of future HPP.

The participants of the meeting confirmed that project was developing in accordance to plans. The HPP should be put in service by the end of 2009. The construction of HPP Lesce has historic significance since it would be the first power plant built after Croatia regained its independence back in 1990s, officials of HEP pointed out.

§ § §

Lukoil announced expansion of network of petrol stations (Croatia)

Valentin Zlatev, the head of Lukoil Bulgaria, who is also regional manager of Lukoil in charge of Croatia, announced that company should operate network of 150 petrol stations in Croatia.

By the end of 2011, Lukoil should have 100 petrol stations in Croatia by which Lukoil's retail market share should be increased from current 3 % up to 20 %.

The goal should be achieved both through construction of new petrol stations and acquisitions. Zlatev did not want to reveal any details regarding this. The company is also interested in owning the facility for storage of oil derivatives in Adriatic, Zlatev said.

§ § §

The government presented draft Energy strategy until 2020 (Croatia)

In mid November, the vice prime minister of Croatia Damir Polancec presented Draft energy strategy of Croatia until 2020. By this presentation, the strategy was opened for public debate.

As it was earlier announced, the strategy proposed three scenarios for construction of new power plants, where two scenarios include construction of nuclear power plant (NPP).

According to all three scenarios, by 2012, Croatia should build 300 MW in new hydro power plants (output in small HPPs is not included), while, by 2020, output from renewable energy sources should be increased by 1550 MW or some 4 TWh of electricity per year. Also, unit L (100 MW) in CHPP Zagreb should be put in service in 2009, while unit C (250 MW) in CHPP Sisak should be put in service in 2012.

The three scenarios differ after 2013. The so-called "white" scenario envisages construction of one coal fired thermal power

plant (TPP) with 600 MW output, one 400 MW natural gas fired TPP and one 1,000 MW NPP. The "green" scenario envisages construction of two 400 MW natural gas fired TPPs and 1,000 MW NPP. Finally, "blue" scenario proposes construction of two 600 MW coal fired TPPs and two 400 MW natural gas fired TPPs.

The experts that have prepared strategy evaluated the white scenario as the best in terms of safety in electricity supply, competitiveness and sustainability.

According to vice PM, the public debate should decide which scenario was the best. Commenting the option for construction of NPP, vice PM Polancec said he fully supports standpoint of his party and prime minister Ivo Sanader. As a reminder, in the end of October, ruling HDZ party said it was in favor of blue scenario, i.e. against construction of NPP at this point.

In this moment, Croatia has some 4,000 MW output in power plants. Polancec reminded that overall investments in energy sector should reach 10 billion euros in the next 12 years, where 4.5 billion euros will be invested in electricity sector.

As for natural gas sector, Croatia plans to build new pipeline toward Hungary (near city of Donji Miholjac), to speed up activities related to construction of liquefied natural gas terminal, to reconsider option for connection to future Adriatic-Ionian pipeline (it should deliver natural gas from Caspian region), and to build two new natural gas storage facilities (Okoli 2 and Benicanci).

The main priorities in oil sector is completion of modernization of oil refineries, the completion of Pan European oil pipeline (PEOP) and possible restart of Druzba Adria project. Polancec said that decision on Druzba Adria project would certainly depend on Russia's interest for the project. In the same time, by the end of the next year, Croatia should complete upgrade of Adriatic pipeline (Janaf) into bi-directional oil pipeline, which is the precondition for Druzba Adria project, vice PM said.

During the presentation, vice PM Polancec pointed out that Croatia is ready to accept private investors in the future energy projects.

The public debate on the Strategy should last until mid December, while the government should adopt the final version that should be sent to the parliament for approval in January next year.

§ § §

Losses for Hellenic Petroleum in Q3 (Greece)

Greek largest refiner Hellenic Petroleum reported third quarter net losses of 74 million euros, compared to profits of 84 million euros in the respective period of 2007. The clean net profit figure, adjusted for inventory effects and one-off items, stood at 69 million euros, lower by 16%. Nine month clean profits were 153 million euros compared to 226 million euros in 2007. Sales increased by 39% in the third quarter and 38% on a nine-month basis, reaching 2.93 billion and 8.14 billion euros respectively. Clean earnings before interest, tax, depreciation and amortization rose 30% in the third quarter.

The refiner said that the low oil prices resulted in a 190 million euros loss on stock devaluation in the third quarter. Additionally, "the strengthening of the dollar in the third quarter, although positively affected margins and inventory valuation, resulted in a total loan revaluation loss of 45 million euros versus a 16 million euros gain in the third quarter in 2007," the company said.

In related news, Hellenic Petroleum said that it has completed the sale of its 20% participation interest in a Libyan oil and gas exploration license to the Franco-Belgian GDF Suez for a total consideration of 151 million dollars, "an amount which exceeds our past exploration expenses in the area", the company said.

"This transaction is a further step in our strategy to reorganize E&P activities so as to create value and boost competitiveness of the Group," the company said in a statement.

§ § §

Mytilineos and Motor Oil signed energy agreement (Greece)

Metals and energy group Mytilineos has signed a power production agreement with Greece second largest refinery, Motor Oil, as part of plans to expand in the sector.

Mytilineos will pay 59.5 million euros through a share capital increase to acquire a 65 percent stake in Corinth Power, which has a license to operate a plant to be built near Corinth, and which is 35 percent-owned by Motor Oil.

"The construction of the new combined-cycle station is scheduled to begin by January 2009 and will be undertaken by Metka, a subsidiary of Mytilineos," Mytilineos said in a statement.

The scheduled completion date is April 2011 and the total investment will amount to 285 million euros.

§ § §

PPC CEO requested tariffs rise, government denied request (Greece)

Public Power Corporation CEO, Mr. Takis Athanassopoulos, blamed the government for the company sliding performance. "We don't want to admit the truth when we say that the energy cost in Greece is low, simply because the state determines the tariff policies," Mr. Athanassopoulos said. He said that the power utility needs to raise its tariffs to help the company finance its investment plan and turn into profits. Mr Athanassopoulos called for approval to increase rates from 1st of January 2009, but that request was denied.

"We are not talking increases here, we are talking about what needs to be done so that PPC can save itself from a crisis," Mr. Athanassopoulos said.

PPC told unionists it is proposing annual electricity rate hikes above inflation over the next six years and a drop in the annual cost per employee, in order to fund its investment program of 13 billion euros for the 2009-2014 period.

Mr. Athanassopoulos reportedly told unionists that PPC cannot be funded by credit in the current international situation, not to mention the company's negative results.

He claimed that PPC cannot talk to banks without having a plan that would guarantee the improvement of its finances. He revealed that the two-pronged plan provides for cutting operational costs by 500 million euros per year through rationalizing spending on salaries and renewing staff by lowering its workers' average age, as well as ensuring that power rates reflect the full production costs and remain above the inflation rate every year.

Greek electricity utility PPC 2009-2014 business plan envisages a personnel reduction of about 6 000 employees in the next few years, mainly through natural attrition, as around 1 000 employees retire each year, company sources said. The plan also stipulates significant tariff increases above inflation levels for the next six years and annual cost savings of 500 million euros in order to finance an investment program of 13 billion euros, the sources said.

§ § §

EVN to stop electricity theft (Macedonia)

EVN Macedonia will start an action for legalization of existing household connection that have not been registered with EVN Macedonia. Also, this action will include court decision against electricity thieves. According to EVN Macedonia, penalties will be from 300 000 to 1 800 000 macedonian denars.

EVN Macedonia officials said that no court prosecution will be made against households and companies which ask for legal connection and disconnect illegal one. They will have to pay for spent electric energy accounted by electricity meter (if present). Also, they will have to pay price for connection to distribution grid (24-35 thousands macedonian denars).

Technical and commercial losses of EVN Macedonia in 2007 represent 22% of delivered electric energy. The company expect lower losses in 2008.

§ § §

EIG Renewables announced construction of wind mills (Macedonia)

EIG Renewables, company from Israel, has announced construction of wind mills in town "Sveti Nikola", in Macedonia. Company has also announced construction of solar power plant. Regarding solar power plant, company still awaits permit and location from Government.

Overall amount to be invested in wind mills in Macedonia by EIG Renewables is set to 350 million euros. Company has already made an agreement with local company "Metalec", in which it plans to invest 10 million euros.

EIG Renewables also plans to build wind farms and solar power plans in Bulgaria, Albania and Kosovo.

§ § §

Tender for import of electric energy (Macedonia)

Macedonian electricity producer ELEM has published a tender for import of electric energy in first four months of 2009. ELEM plans to import amount of 350 GWh of electric energy. Around 31 million euros will be needed for this import.

78 GWh will be imported for needs of EVN Macedonia, which will be used to cover 11% loss of EVN Macedonia. Remaining amount of 277 GWh will be imported only if EVN request higher amount to cover higher losses.

§ § §

Gasification in Kumanovo stopped (Macedonia)

Macedonian company "Gama" has stopped gasification in city Kumanovo, which has been described as key energy project in southeast Macedonia. "Gama" is controlled by Makpetrol.

According to media, "Gama" has purchased, without tender, metering equipment worth 500 000 euros. There is no official explanation, but according to media, sources and unofficial statements, problem is agreement for that equipment, which was signed without tender, against the law. According to media, "Gama" avoids payment and installation of metering equipment, since it can cause problems to the management of the company, and Italian company, pressures "Gama" with agreement.

Gasification of Kumanovo has started 2 and half years ago. It was planned that customers in Kumanovo could use natural gas for heating in this season, but according to current situation, it will not be possible.

§ § §

3 consortium delivered offers for gasification feasibility study (Macedonia)

Three consortiums have delivered their offers for feasibility study for gasification of Macedonia. According to Ministry for Transport, consortiums that have delivered offers are: Danish-Polish "Ramboll & Gazoprojekt", Macedonian-Bulgarian-Slovenian "Prostor, Gastek BG, Petrol & Energo Sistem" and German-Macedonian-Bulgarian "Harress Pickel Consult AG, Bulgarija EOOD & MAK 2000".

§ § §

Okta to pay pollution fee (Macedonia)

Okta will have to pay fine due to high pollution. According to media, analysis conducted by Macedonian environment inspector, Okta refinery has been polluting air and water above permitted values regulated by Macedonian environment law.

Refinery Okta can expect to pay 8 000 to 20 000 euros. According to Macedonian media, European Commission for Environment is also interested in this issue.

§ § §

EFT and Rudnap to deliver electricity to EPCG in 2009 (Montenegro)

Thirteen companies submitted bids in the tender for import of electricity in 2009 published by Power utility of Montenegro (EPCG) in mid October. EPCG said the offered prices were close to prices in last year's tender.

EPCG requested to import some 1 TWh of electricity, where EPCG offered to pay some 96 million euros for the procurement. The planned import in 2009 should be some 21 % higher comparing to 2008. The company earlier said that electricity import in the next year would be higher due to five-month overhaul of TPP Pljevlja and two and a half month overhaul in HPP Perucica.

According to the management of EPCG, the winners in the tender should be known by mid December. The worth of procurement should be 10 million euros lower than planned, having in mind that electricity prices were much higher when tender was published, the officials said.

According to sources, most likely winners in the tender will be EFT and Rudnap, the companies that offered the lowest prices and that placed bids for entire requested amount. The bids were also submitted by Atel, Gen-I, Korela and RT Trading.

The offered bids exceeded four times requested amount, while maximum offered price reached 79 euros/MWh.

Director of sales and trade department of EFT Svetislav Bulatovic said the company would deliver electricity to EPCG in the next year. According to him, average price of electricity in the tender was 76.65 euros/MWh for base load deliveries.

Commenting the electricity prices in the tender, Bulatovic said the drop, caused by global financial crisis, would be temporarily. Electricity prices in the region should be certainly increased in the future having in mind electricity deficit in the region.

In the related news, officials from the Regulatory energy agency (REA) announced that electricity prices in Montenegro could be reduced in the end of the first quarter of 2009. REA explained that, starting from next year, EPCG would be

relieved from paying the large part of municipality taxes. As a reminder, EPCG recently submitted new request for 10-20 % increase in electricity prices. If REA approves the request, new electricity prices could be imposed in January next year.

§ § §

IFC to acquire 5 % stake in EPCG (Montenegro)

Representatives of government of Montenegro and International finance corporation (IFC) reached a preliminary agreement for IFC to acquire 5 % stake in Power utility of Montenegro (EPCG). IFC should pay 70 million euros for the shares.

Government believes that sale of shares to IFC, which is the part of World Bank, would be excellent sign for the incoming tender for recapitalization of EPCG, which should be published by the end of the year.

According to local press, government believes that large companies, such as Verbund, Electrabel, Enel, Statkraft, CEZ, En Plus as well as foreign financial institutions, would take part in the tender. The future strategic partner will have minority stake in the company but it will be given management rights. In the same time, the government will be given veto rights.

The funds obtained during the recapitalization should be invested for modernization project, the management of EPCG earlier announced.

§ § §

TPP Pljevlja in service after regular maintenance (Montenegro)

In the beginning of November, thermal power plant (TPP) Pljevlja was put in service after 20-day regular maintenance before the winter season.

Until the start of the maintenance, TPP produced 981 GWh of electricity, which was highest ever result in the last 26 years. According to plans, TPP should produce 1.13 TWh of electricity in this year, but management believes the annual production could reach even 1.24 TWh.

§ § §

115 million euros of debts for electricity bills in H1 (Montenegro)

According to data presented by Power utility of Montenegro (EPCG), in the first six months, overall debts of electricity customers amounted to 115 million euros.

The largest debtors were the national Railway Company (1.3 million euros debt) and Steel factory in Niksic (2.5 million euros). Both companies were granted considerable subsidies for paying of electricity bills.

According to the government's data, overall subsidies for Steel factory reached 7 million euros in the last year, where overall electricity bill reached 12.4 million euros. The government is obliged to provide subsidies for the factory in period 2007-2011, in accordance to privatization contract.

As for households' customers, EPCG said it had filed lawsuits against 16,000 customers during the first half of the year. According to unofficial data, the number of lawsuits reached even 50,000. Despite those numbers, collection rate did not improve due to time-consuming court procedures.

According to the latest news, starting from mid-November, EPCG will increase disconnections of non-paying customers. The company said that police would assist in case if some of the customers did not allow to be disconnected. In addition, the company announced stricter inspections and announced filing of lawsuits against those customers who try to reconnect to electricity grid by themselves. EPCG offered debtors to pay their obligations through single payment or through several monthly payments.

§ § §

Government published public invitation for spatial plans for future HPPs on Moraca (Montenegro)

In mid November, ministry of economic development published public invitation for making the spatial plans for multi-functional accumulation lakes on Moraca River.

The spatial plans, part of new project for construction of four cascade hydropower plants (HPPs) on Moraca River, should define optimal layout of activities, facilities and population near the accumulation lakes. The plans should take in consideration economic, technical and sustainable development criteria.

The spatial plans will refer to central part of Moraca River where four new HPPs will be built, i.e. HPPs Andrijevo, Zlatica, Milunovici and Raslovici. The construction of HPPs will require flooding of 19-kilometer long regional motorway. The new motorway should be built in period of four years, i.e. two years before HPPs should be put in service.

As a reminder, on October 27, ministry of economic development published public invitation for submitting the letter of interests in the project for construction HPPs on Moraca River. Interested companies and consortia will be allowed to submit letters of interest by December 1.

The overall output of four HPPs will be 238 MW, while annual electricity production should stand at 693 GWh. The future HPP should cover some 40 % of current electricity deficit in Montenegro. Overall cost of the project is estimated at 500 million euros.

§ § §

Electrica expects reduction in sales due to financial crisis (Romania)

State owned electricity distributor Electrica expects that electricity consumption of largest industrial customers will be reduced by 5-10 % in 2009 due to ongoing global financial crisis. In the same time, the company believes that electricity prices would be reduced, which should further reduce annual income.

The final reduction in consumption of industrial customers is not known yet, general manager of Electrica Corneliu Stan said. He also believes that electricity prices would be reduced next year, possibly from February or March. As for households, electricity consumption should remain unchanged or to rise up to 1-2 %, Stan Believes.

Electrica's annual sales stand at some 13 TWh, where 11 TWh is being delivered on regulated market, mostly to households.

According to market sources, Electrica is the electricity supplier for the largest companies such as aluminum producer Alro Slatina (some 15-20 % of factory's annual consumption of 3 TWh), chemical factory Olchim and fertilizer producer Azomures (100 % of 1.4 TWh for both companies), and steel factory ArcelorMittal Galati (some 33 % of 2 TWh). All of those customers already cut or announced they would cut production in the next year.

§ § §

49 million euros of profit for Transgaz in first nine months (Romania)

In the first nine months of 2008, state-owned natural gas transporter Transgaz posted 49.2 million euros of net profit, which was 4.4 % higher comparing to the same period last year. The company's expenses amounted to 164.5 million euros (+16.5 %), while net turnover reached 212.7 million euros (+10.7 %).

The overall turnover reached 222.4 million euros, which was 12.9 % higher comparing to the last year but 11.1 % lower than planned due to reduction of natural gas transport. The overall amount of natural gas transported was 817 million cbm lower than planned.

General manager of Transgaz Ion Rusu believes that amount of natural gas transported would be lower than planned by the end of the year due to global financial crisis.

The reduction in amount of natural gas transported and increased concession fees for the transmission network were the main reasons why the company managed to achieve only 93 % of the budgeted income in the nine-month period, Rusu said.

Rusu announced that shareholders assembly, in January next year, should discuss potential cooperation with companies Gazproiect Brasov and Ploiesti Petrostar regarding Nabucco natural gas project in Romania.

§ § §

Transelectrica posted 36.5 million euros of profit in nine-month period (Romania)

In the first nine months, Romania's electricity transmission operator Transelectrica reported four-time increase in net profit, i.e. 36.5 million euros comparing to 8.7 million euros posted in the same period last year. In the same time, overall turnover reached 552 million euros (+17.1 %).

Transelectrica confirmed it had raised its gross profit target for this year by 33 % up to 32.7 million euros. According to revised data, planned turnover in 2008 was raised from 770 million euros up to 804 million euros, while overall expenses were revised from 750 million euros up 771 million euros. The revision of revenues and expenses for this year should be discussed by shareholders in December.

In the same time, the planned gross profit in 2009 would be reduced by 16.6 % down to 27.2 million euros, Transelectrica announced.

The head of the company Stelian Gal said that favorable results were consequence of increasing amount of electricity transported, increased income from auctions of interconnection capacity, but also were the consequence of reduced expenses. Gal also said that company expects decrease in electricity consumption in the next year.

§ § §

Romgaz posted 122 million euros of net profit in nine-month period (Romania)

In the first nine months of 2008, state-owned natural gas producer Romgaz posted 122 million euros of net profit, which was 77.6 % higher compared to the same period last year. The rise in the profit is mostly related to increase in sales and lower financial and operational expenses.

In the same time, overall turnover reached 650 million euros (+4.3 %) due to increase in production, storage and increased tariffs.

In the related news, deputy general manager of Romgaz, Lucian Stancu, said the company would not demand increase in natural gas prices starting from the next year. The company expects it would have difficulties in collecting bills from large natural gas customers, Stancu said. He believes that natural gas consumption would be reduced in 2009, but this will not affect Romgaz's output, yet it should reduce import of natural gas.

According to Romgaz's data, reduction in natural gas consumption was already reported in steel, chemical and construction sectors. Stancu announced that natural gas from domestic production should be redirected to households.

According to preliminary analysis, Romgaz's revenue in 2009 should be close to estimated value in this year.

§ § §

Listing of Transelectrica's shares delayed for an indefinite period (Romania)

Due to global financial crisis, listing of additional 10 % shares of Romania's electricity transmission system operator Transelectrica will be delayed for an indefinite period. This was said by the director of the business development within Transelectrica, Razvan Purdila.

According to preliminary plans, listing of 10 % of shares on Bucharest Stock Exchange (BSE) should have taken place in the first half of 2009. In 2006, Transelectrica listed 10 % shares in BSE.

According to company's estimations, financial crisis will also affect electricity consumption in the country, where growth rate in the next year should be close to zero or minimal.

During the same occasion, Purdila announced that Transelectrica's investments should reach 690 million euros by 2012, which will be 15 % higher compared to initial announcements. The funds will be invested for enlargement of transmission network, especially having mind that Romania will build new power plants in the incoming period.

§ § §

CEZ called for reduction of the state's stake in new units in NPP Cernavoda (Romania)

Corporate affairs manager of CEZ Romania Adrian Borotea said that future strategic investors in the project for construction of units 3 and 4 in nuclear power plant (NPP) Cernavoda (among them is CEZ) had demanded from the government to reduce its stake in the project. According to recent changes, the state, i.e. Nuclearelectrica will control 51 % stake in the project.

CEZ's official believes that cost of the project will be increased because of financial crisis. He also said that final shareholders agreement should be signed by the end of November.

In this moment, CEZ is to control 9 % stake in the project, after government decided to increase its stake from 20 % up to 51 %.

Sources said that government could agree to reduce its stake in 4 billion euros worth project, since it could not be able to provide sufficient funds for the project.

Besides CEZ, the strategic partners in construction of two 700 MW units will be Electrabel, Enel, ArcelorMittal Romania, RWE and Iberdrola.

§ § §

Import of natural gas to increase by 5.7 % next year (Romania)

The estimations of Romanian Energy Regulatory Authority (ANRE) showed that natural gas import of Romania should in-

crease by 5.7 % next year, from 6.6 billion cbm (to be reached in this year) up to 7 billion cbm. The import should account to some 39 % of overall natural gas needs.

In the same time, natural gas consumption should increase up to 18 billion cbm(+ 0.5 %), while domestic natural gas production should drop to 11 billion cbm (- 2.3 %).

Compared to 2007, in 2009, natural gas production should reduce by 6 %, while the import should rise by 14.7 %.

§ § §

Report on energy resources in the first nine months of 2008 (Romania)

According to National Institute of Statistics (INS), primary energy resources in the first nine months reached 30.927 million tons of oil equivalent (toe), which was 2 % higher comparing to same period last year. The domestic production reached 18.288 million toe (+3.0 %), while import of primary energy resources reached 12.639 million toe (+0.6 %).

The coal resources amounted to 6.542 million toe (-11.8 %), where domestic production reached 4.896 million toe (-2.5 %) and import reached 1.646 million toe (-28.8%).

Oil resources amounted to 9.609 million toe (-0.6 %), where domestic production reached 3.324 million toe (-7.5 %) and import reached 6.285 million toe (+3.6%).

Natural gas resources amounted to 10.099 million toe (+0.7%), where domestic production reached 6.898 million toe (-2.4 %) and import reached 3.201 million toe (+8.0%).

Electrical energy resources reached 48.952 TWh, which was 3.941 TWh or 8.8 % higher comparing to the same period last year. The domestic electricity production was increased by 4.357 TWh (+9.9 %).

The production in thermal power plants (TPPs) was reduced by 1.656 TWh (-5.9 %). In the same time, the production in hydropower plants (HPPs) was increased by 2.344 TWh (+20.6 %), while production in nuclear power plant (NPP) Cernavoda was increased by 3.668 TWh (+82.5 %).

The domestic electricity production amounted to 98.6 % of overall electricity resources, while electricity import amounted to 1.4 % of overall electricity resources. The production in thermal power plants amounted to 54.8 % of overall electricity production, production in hydropower plants amounted to 28.4 %, while production in nuclear power plants amounted to 16.8 % of overall electricity production.

Overall electricity consumption amounted to 39.684 TWh (+5.1 %), where 64.9 % was spent by industry and 15.2 % by households. In the same period, electricity export increased by 1.610 TWh (+69.5 %).

In the related news, according to the data of British Petroleum, Romania is 11th ranked oil producing country in Europe and

Asia, with oil production of 105,000 barrels per day or some 0.1 % of overall World production. The same source said that Romania's oil reserves reduced to 500 million barrels, compared to 1.3 billion barrels estimated in 1987.

§ § §

Energy contracts with Russia to be signed in November (Serbia)

The advisor of the chair of the management board of Gazprom-neft, Dimitri Malishev said that three contracts, stemming from the Energy agreement between Serbia and Russia, could be signed on November 24-25 in Moscow.

Malishev said this to Russia's state press agency Itar-Tass. The contracts should be signed during the regular meeting of the interstate committee for trade and economic cooperation between Russia and Serbia.

Malishev is the head of Russian delegation that arrived in Belgrade on November 13 in order to finalize negotiations regarding Energy agreement. According to Malishev, active negotiations should start on November 17 and it should be finalized by November 20.

The negotiations between government and Gazprom were conducted behind closed doors. The deputy minister of energy of Serbia said that two sides agreed that no details would be published while negotiations were underway.

In the end of October, the government of Serbia sent a letter to Gazprom in which it proposed concrete contracts related to Oil industry of Serbia (NIS), natural gas pipeline South stream and natural gas storage facility Banatski Dvor. According to local media, the government of Serbia demanded from Gazprom that shares in NIS should be returned if the South stream pipeline was not built across Serbia.

According to sources, Gazprom was against proposal of prime minister Mirko Cvetkovic and minister of economy Mladjan Dinkic regarding sale of additional 19.5 % shares in NIS to Gazprom for additional 500 million euros. The Russian standpoint was in accordance to recent statement of Russia's minister of emergencies Sergey Shoigu, who said the Russia would not allow any changes in original agreement. The sources could not say whether government of Serbia proposed to Russian side that all three contracts should be mutually dependent.

The government also demanded increase of planned investments from 500 million euros up to 700 million euros. According to original Energy agreement signed in Moscow in January this year, Gazprom should pay 400 million euros in cash and 500 million euros in investments for 51 % stake in NIS.

In addition, Serbia demanded from Gazprom to increase pipeline capacity across Serbia from 10 billion cbm up to 20 billion cbm. According to media sources, Serbia demanded payment of penalties in case of delays in South stream project.

After opposition parties in Serbia accused minister Dinkic on trying to terminate the agreement with Russia with the new demands, the head of Serbia's negotiating team, deputy minister of economy Nebojsa Ciric, pointed out that no one in the government was trying to undermine the agreement with Russia.

§ § §

25 million tons of lignite produced in Kolubara (Serbia)

In October, the largest coalmine in Serbia, the Kolubara coalmine, produced 2.8 million tons of lignite, which was 5 % higher than planned.

In period January-October, overall production reached some 25 million tons (+5 %). The lignite from Kolubara is used for production of almost 50 % of electricity in Serbia.

In the related news, management of Kolubara said that plans for expropriation of the land for new coalmines would not be met in 2008. The most serious problem for the company is the delay of dislocation of Vreoci village, which started in the second half of the year.

§ § §

Electricity prices to rise in Q1 in 2009 (Serbia)

Minister of energy and mining Petar Skundric announced that electricity prices in Serbia could be increased during the first quarter of the next year. Electricity prices would not rise anymore in this year, minister added.

Minister said the increase would be way below 40 %, i.e. below market price. According to him, 8 % increase in electricity prices would lead to profitable operation of Power utility of Serbia (EPS), while company's worth would be increased by 500-600 million euros.

Last time, electricity prices rose in August by 8.9 % in average. Before that, electricity prices rose by 7.6 % in March. According to calculations, new average annual electricity price will reach 5.6 eurocents/kWh.

According to calculations made by EPS, in 2015, average electricity prices in Serbia should stand at 10.3 eurocents/kWh. In the next two years, electricity prices should rise twice a year, where increases should be gradual.

In the related news, minister Skundric said that national energy sector should be majority owned by the state. The EPS is the Serbia's most valuable property, minister pointed out. The state should benefit from the development projects carried out by EPS.

In the same time, electricity distributors as natural monopolies, should not be privatized, especially having in mind experi-

ences of the countries that made such move, minister Skundric concluded.

§ § §

Energy minister: no nuclear power plants in next 15 years (Serbia)

Minister of energy and mining Petar Skundric said that no nuclear power plants (NPP) would be built in Serbia in the next 15 years. It is simply because it takes minimum 12 years for preparing the feasibility study so that no one should fear that NPP would be built.

Minister believes that moratorium for construction of NPPs, which is still in power in Serbia, does not imply that scientists in Serbia are banned for having debates over usage of nuclear energy.

Skundric reminded public in Serbia that there are large number of NPPs across Europe, where Serbian neighbors also have NPPs. In the same time, Italy announced it could invest in construction of NPP in Albania, Bulgaria has started construction of new NPP, while Croatia has been also reconsidering an option for construction of NPPs, minister concluded.

§ § §

Construction of natural gas pipeline to start next spring (Serbia & Bosnia and Herzegovina)

Construction of regional natural gas pipeline, called Sava, between Bosanski Novi (Bosnia and Herzegovina) and Serbian border should start next spring. This was announced by Radomir Njezic, the owner of Slavia International company, the holder of concession for this project.

According to Njezic, the construction works had not started yet because company has been awaiting the final decision regarding the route of the South stream pipeline. There was theoretical chance that South stream could run across Republic of Srpska (RS), which would require installation of pipelines of larger diameter. However, there were small chances for such option.

According to plans, 488km long pipeline should be built in period of two years. The cost during the first phase of the project, for which the contractors were selected, should reach 145 million euros.

Advisor of the minister of economy, energy and development of RS, Slobodan Rajlic, said that Serbian energy minister Petar Skundric confirmed that, during negotiations with Gazprom, Serbia took in consideration natural gas deliveries for RS and potential construction of extension of South stream pipeline.

§ § §

Energy minister denied negotiations regarding the sale of EPS to RAO UES (Serbia)

Minister of energy and mining Petar Skundric said there was no either public or secret negotiations regarding sale of Power utility of Serbia (EPS) to Russian state owned power company RAO UES, i.e. its subsidiary Inter RAO.

Minister explained that state is yet to decide when the EPS would be privatized and in what extent. Skundric said he was personally against privatization of EPS until company worth was increased. In addition, he was in favor of keeping the majority stake by the state.

The claims on secret negotiations were published by several local media. According to those sources, Russian side is interested in purchase of entire EPS. The same sources imply that delays in tenders for construction of new power plants are closely related to the secret negotiations.

In April this year, EPS and Inter RAO signed a cooperation protocol, which envisaged cooperation in construction of new hydro power plants (HPP), including small HPPs, and thermal power plants (TPPs). Russian company also expressed readiness to invest some 2 billion euros in future joint projects.

In related news, minister Skundric announced that procedure for publishing the tenders for new power plants was underway. The preparations should be completed by the end of November, minister confirmed. According to minister, representatives of CEZ, Statkraft and Siemens have expressed interest for the projects.

The first project that could be completed by EPS is modernization of CHPP Novi Sad in 2012, where output of the plant should be increased from 200 MW up to 450 MW. The first 350 MW unit in thermal power plant (TPP) Kolubara B should be Fb in 2014, while the second 350 MW unit should be built in 2015. In 2016, the new 700 MW unit in TPP Nikola Tesla B should be built, the minister said.

§ § §

Oil production to reach 614,000 tons, natural gas production to reach 224 million cbm in 2009 (Serbia)

According to official data published in Energy balance sheet of Serbia for 2009, oil production on domestic oil fields should stand at 614,000 tons, which would be 2 % lower comparing to estimated production of 627,000 tons in this year. Some 2.77 million tons or some 80 % of Serbia's oil needs should be imported in the next year, which would be 1.25 % higher comparing to estimated import of 2.736 million tons in this year.

In the same time, domestic natural gas production should stand at 224 million cbm, which would be 11 % lower comparing to estimated production in this year. Natural gas import should reach 2.4 billion cbm, or 4 % higher comparing to estimated import in this year. Natural gas consumption in 2009 should be 2.5 % higher compared to this year.

The certain amount of natural gas will be stored in underground storage facility in Banatski Dvor, where part of those reserves will be available during entire 2009.

According to minister of energy and mining, Petar Skundric, the facility should be able to deliver some 20-30 million cbm of natural gas during incoming winter season. When the facility was finally completed in the next several years, its storage capacity should reach between 0.8 and 1 billion cbm, while maximum daily deliveries should reach 5 million cbm.

The facility in Banatski Dvor should be jointly operated by Serbia and Russian Gazprom, according to the energy agreement, where the final capacity of the facility is yet to be decided.

§ § §

System Consulting PLC and Dekotra Power signed contract for construction of first private power plant (Serbia)

In the first week of November in Belgrade, Hungarian company System Consulting PLC and Italian Dekotra have signed the contract for construction of natural gas fired combined heat and power plant (CHPP) in city of Loznica. According to the contract, the project will be carried by new company Dekotra Power, where Hungarian company will own 51 % stake in it, and the rest will be owned by Dekotra.

The worth of the contract is 86.5 million euros. The new power plant, which should be the first private power plant in Serbia, should have 110 MW of electricity output and 78 MW of heat output. The plant's annual output should reach 680 GWh of electricity and 330 GWh of heat. The future CHPP will supply heat to both households and industrial customers in Loznica.

In 2007, Dekotra purchased industrial power plant Energetika (55 MW), which was the part of industrial complex Viskoza, and immediately initiated modernization of the facility.

Chair of management board of Dekotra, Ljubo Miskin, confirmed that company had preliminary negotiations regarding delivery of 152 million cbm of natural gas per year by Gazprom. According to Miskin, CHPP should be put in service in 2010.

§ § §

Tenders:

Electricity

Company / organization:	EBRD, related Bosnia and Herzegovina
Power Distribution Reconstruction-Substations 10(20)/0,4kV	
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:	EBRD, related Bulgaria
Construction of wood biomass heating plant in town "Triavna"	
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: **EBRD, related Bulgaria**

Metamodul CNG for the Etropole gas supply system

Content: 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.
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).
The budget for the project is €1.28 million
The tendering for the above contract is expected to begin in the second quarter of 2008.

Deadline: 2 Mar 2009 at 00:00, Sofia time

Contact: Mr. Christo Petkov
Tel. +359 2 818 00 10
Fax: +359 2 818 00 20 [fax:]

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

Replacement of transformers for CEZ Razpredelenie Bulgaria

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 equipment for the replacement of outdated 20/0,4 kV power transformers with new transformers of higher efficiency.

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.

The replacement of the power transformers is planned to start by the end of 2008.

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.

Deadline: 14 May 2009 at 00:00, Sofia time

Contact: 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

Company / organization: EBRD, related Romania

CFR Traction Energy Network Management LOT 1,2 - General

Content: 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.

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

Contact: Mr I Truica; Technical Director
S.C. Electrificare SA B-dul D Golescu nr.38
Bucharest, Romania
Tel: + 40 21 3192512; Email: ionel.truica@cfr.ro

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

Transmission Interconnection Project, four substations - GPN

Content: 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.
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:
• 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.
• Package II:
Rehabilitation of substations 400/110 kV Skopje 4 and Dubrovo with supply and installation of new bay control units in the substations
• 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.

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**

Ruse Integrated Energy Farm

Content: . 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.

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:

- Supply and installation of Biomass gas generation reactor, gas cooling, gas washing and gas drying using straw
- Supply and installation of CHP plant for production of electric and thermal energy
- Supply and installation of biomass (straw) transport, handling and storage facilities
- Up-grade of the existing heat only boiler (HOB) for the utilisation of biogas

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.

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. 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.

Deadline: 9 May 2009 at 00:00, Ruse time

Contact: Dr. Todor Petrov
Fax : + 359 82 812 232
Email: T.Petrov@ruse.e-gov.bg

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

Sofia District Heating Rehabilitation

Content: 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.

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.

Toplofikacia Sofia AD intends to use 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.

Deadline: 13 Mar 2009 at 00:00, Sofia time

Contact: Mrs. Anastasiya Markova
PIU Manager
23 Jastrebetz St., 1680 Sofia, Bulgaria
Tel: +359 2 8593171
Fax:+359 2 8599124
E-mail: amarkova@toplo.bg

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

Enemona CNG project - General

Content: 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.

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:

- 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.
Budget for the project: €650,000.

Deadline: 13 Feb 2009 at 00:00, Sofia time

Contact: 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

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