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# NEWS

Energy News in Southeast Europe  
twice in a month •

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## About:

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

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

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## In this issue:

**October (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 1.10.-15.10.2008
- » Forecasted weather conditions for the following period

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## Analysis:

- » Hydro Power Plants in Serbia

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## News headlines

### Region

- » Russian media: South stream project to be delayed for two years
- » Financial crisis not to affect Nabucco project

### Bosnia and Herzegovina:

- » EP BiH to be restructured in 2009
- » Energoinvest to prepare projects for construction of new power plants in the country
- » Five companies interested in oil and natural gas researches
- » General Electric to invest 400 million euros in energy and health sector in RS
- » Russians paid last payment for purchase of oil companies in RS
- » ERS to cut production target for 2008
- » Electricity and coal production in accordance to plans in H1

**Bulgaria:**

- » Unit 6 in NPP Kozloduy in service after regular overhaul
- » Financial crisis not to affect Belene project
- » RWE selected to be strategic partner in NPP Belene
- » 28 million euros for Sofia heating company
- » Financial consultant for Bourgas- Alexandropoulos project to be selected
- » Regulator dismissed quarterly electricity bills
- » Upgrade of unit 3 and installation of FGD equipment in TPP Maritsa Iztok 2 completed

**Croatia:**

- » IPO finished, MOL now controls 47.15 % stake in INA
- » Construction of 400kV power line Ernestinovo-Pecs started
- » INA to move investments to Albania if not granted a storage license

**Greece:**

- » Possible tariffs change between PPC – Depa
- » Motor Oil and Mytilineos to cooperate in electricity production

**Macedonia:**

- » Government to consider forming of electricity market
- » 17.6 % increase in natural gas prices
- » New lignite fired TPP to be build near TPP Negotino
- » Macedonia to purchase electricity from NPP Belene
- » EVN Macedonia in favor for discussion with government

**Montenegro:**

- » Tender for recapitalization of EPCG to be published in December
- » Balkan Energy to build TPP if coal studies are favorable
- » EPCG to launch tender for import of 1 TWh of electricity in 2009
- » Public notice for construction of HPPs on Moraca River to be published soon
- » Dalekovod won contract for renewal of transmission network
- » Record production of TPP Pljevlja
- » EPCG and Terna signed 600 million euros contract for electricity interconnection projects
- » CEE Engineering to make conceptual design and pre-feasibility study for unit 2 in TPP Pljevlja
- » Unicredit Zagreb Bank signed contract for privatization advisor of EPCG

**Romania:**

- » Government approved establishment of national energy company
- » Report on energy resources in the first eight months of 2008
- » Government started study for new nuclear power plant
- » Energy Holding, Alro Slatina and Electrica three largest electricity suppliers on the free market in H1
- » Eneria, Viarom and Energobit partners of CEZ in wind power project in Dobrogea
- » KazMunaiGaz paid 1.6 billion dollars for 75 % stake in Rompetrol, the amount lower than original estimations
- » Petrom signed 375 million euros loan contract

**Serbia:**

- » Negotiations with Gazprom continue, government to offer Petrochemical factory to Russians
- » Government started procedure for privatization of electricity distributor
- » Energy minister: Tenders for new thermal power plants by the end of the year
- » Study for joint projects of EPS and ERS by the end of the year
- » 60 % increase in natural gas prices

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



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

## Balkan Energy NEWS publication

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

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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.

Annual electricity consumption in GWh		Year	Sum	1	2	3	4
Slovenia	2008	1134	1083	991	1054	941	839
	2010	1077	12287	1083	991	1054	941
	2011	1077	12590	955	1051	1127	997
Bosnia and Herzegovina	2008	3307	3450	3299	2960	2637	2300
	2009	3185	3272	3021	3196	2638	2300
	2010	3257	31954	3486	3052	3021	2443
Bulgaria	2008	3167	33452	3475	3107	3087	2577
	2009	1640	17842	1680	1543	1570	1599
	2010	1648	17507	1625	1530	1551	1323
Croatia	2008	1648	17507	1625	1530	1551	1323
	2009	1648	17507	1625	1530	1551	1323
	2010	1648	17507	1625	1530	1551	1323
Greece	2008	4791	50636	4738	4268	4473	3803
	2009	5141	53385	4971	4472	4727	3803
	2010	5141	53385	4971	4472	4727	3803
Romania	2008	5141	53385	4971	4472	4727	3803
	2009	5141	53385	4971	4472	4727	3803
	2010	5141	53385	4971	4472	4727	3803

## Country Reports on Energy Business in South Eastern Europe

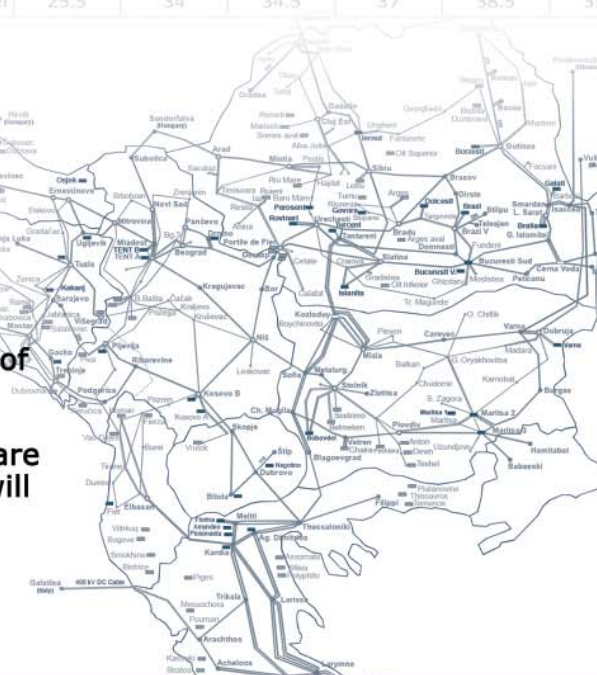
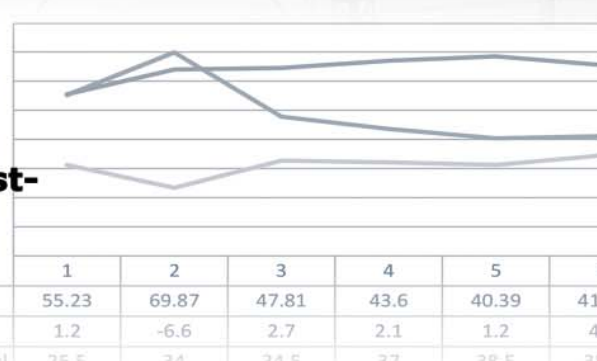
Country reports provide detailed overview of energy sector:

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

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**Power exchanges data:**

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

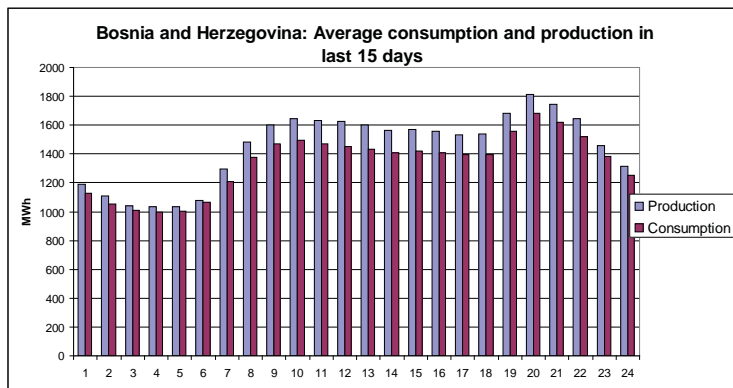
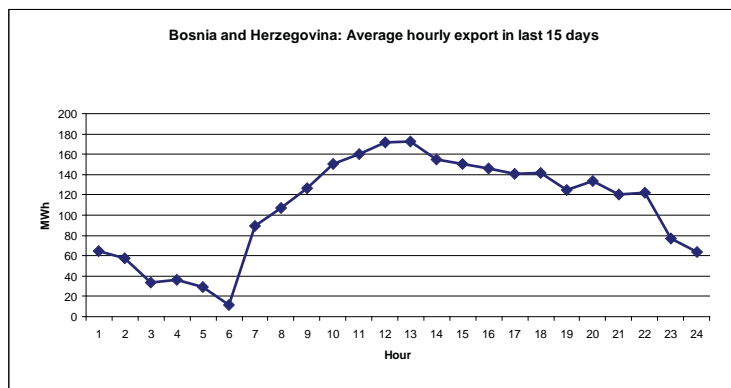
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.10.2008	1217	1162	1129	1125	1102	1106	1321	1520	1645	1712	1714	1700	1644	1602	1578	1575	1582	1585	1667	1864	1765	1717	1512	1368
2.10.2008	1245	1132	1074	1059	1039	1131	1345	1582	1691	1659	1639	1642	1683	1670	1647	1649	1626	1613	1715	1853	1800	1711	1489	1368
3.10.2008	1109	1061	981	929	961	1011	1224	1378	1431	1474	1451	1450	1421	1405	1430	1426	1416	1352	1585	1755	1672	1563	1413	1252
4.10.2008	1013	892	804	796	790	821	977	1112	1270	1340	1363	1352	1363	1291	1319	1299	1176	1188	1305	1417	1388	1268	1088	1007
5.10.2008	973	877	820	794	799	815	915	986	1151	1230	1266	1317	1278	1197	1134	1156	1147	1163	1297	1448	1460	1380	1229	1090
6.10.2008	1013	918	839	800	833	860	1256	1475	1584	1633	1622	1662	1624	1602	1607	1560	1564	1550	1570	1561	1561	1477	1361	1266
7.10.2008	1278	1190	1110	1115	1106	1174	1462	1658	1765	1788	1756	1752	1709	1677	1692	1666	1657	1656	1832	1989	1867	1744	1547	1376
8.10.2008	1212	1118	1069	1098	1077	1092	1349	1578	1727	1750	1709	1701	1675	1670	1694	1650	1665	1647	1833	2043	1942	1794	1531	1392
9.10.2008	1265	1181	1099	1074	1080	1158	1404	1642	1752	1795	1733	1723	1695	1677	1697	1690	1657	1676	1787	1955	1865	1757	1549	1402
10.10.2008	1255	1193	1084	1087	1075	1143	1430	1645	1742	1771	1753	1717	1687	1643	1678	1657	1655	1680	1818	1959	1804	1718	1557	1383
11.10.2008	1271	1193	1094	1086	1083	1093	1318	1440	1582	1643	1659	1638	1615	1543	1589	1589	1572	1568	1715	1826	1768	1660	1488	1362
12.10.2008	1252	1156	1079	1058	1046	1077	1226	1293	1446	1540	1558	1567	1549	1503	1479	1435	1431	1441	1663	1773	1728	1643	1440	1331
13.10.2008	1221	1157	1123	1092	1112	1200	1378	1650	1732	1807	1774	1711	1705	1665	1639	1648	1612	1622	1817	1889	1824	1725	1544	1373
14.10.2008	1246	1197	1133	1105	1116	1236	1401	1633	1719	1752	1718	1691	1675	1649	1654	1638	1613	1658	1838	1944	1860	1761	1592	1452
15.10.2008	1325	1196	1214	1256	1251	1269	1457	1652	1754	1805	1758	1724	1728	1691	1725	1691	1644	1667	1836	1955	1843	1720	1569	1311
<b>Average:</b>	<b>1193</b>	<b>1108</b>	<b>1043</b>	<b>1032</b>	<b>1031</b>	<b>1079</b>	<b>1298</b>	<b>1483</b>	<b>1599</b>	<b>1647</b>	<b>1632</b>	<b>1623</b>	<b>1603</b>	<b>1566</b>	<b>1571</b>	<b>1555</b>	<b>1534</b>	<b>1538</b>	<b>1685</b>	<b>1815</b>	<b>1743</b>	<b>1643</b>	<b>1461</b>	<b>1316</b>

**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	
1.10.2008	1102	1042	988	987	960	1029	1175	1357	1447	1459	1427	1414	1385	1367	1374	1360	1365	1371	1492	1664	1596	1532	1371	1235	
2.10.2008	1113	1047	1005	980	993	1079	1221	1412	1473	1507	1457	1447	1418	1415	1430	1430	1408	1389	1521	1670	1624	1517	1367	1225	
3.10.2008	1105	1053	997	981	998	1075	1197	1395	1470	1491	1467	1457	1424	1411	1440	1431	1432	1363	1519	1680	1594	1466	1345	1233	
4.10.2008	1134	1033	1003	973	992	1028	1108	1263	1429	1496	1523	1513	1541	1470	1502	1489	1450	1465	1591	1676	1618	1506	1368	1266	
5.10.2008	1141	1044	1001	974	969	1010	1082	1167	1336	1406	1434	1408	1385	1362	1295	1307	1295	1319	1488	1669	1640	1555	1417	1247	
6.10.2008	1109	1037	982	955	971	1049	1246	1450	1542	1566	1529	1494	1455	1445	1447	1432	1416	1399	1428	1424	1420	1417	1418	1421	
7.10.2008	1202	1113	1083	1062	1068	1127	1286	1455	1522	1521	1481	1457	1431	1416	1439	1418	1406	1399	1569	1745	1688	1558	1406	1230	
8.10.2008	1148	1054	998	1025	1023	1076	1276	1425	1534	1514	1463	1453	1434	1411	1437	1417	1411	1404	1610	1744	1679	1550	1398	1252	
9.10.2008	1120	1055	1027	995	1018	1100	1257	1460	1528	1516	1468	1455	1428	1439	1450	1441	1404	1424	1571	1711	1741	1672	1560	1404	1283
10.10.2008	1128	1053	1009	1016	1006	1098	1258	1428	1508	1498	1460	1472	1444	1416	1455	1429	1427	1435	1610	1724	1636	1529	1371	1256	
11.10.2008	1162	1068	1026	1019	1016	1070	1157	1299	1441	1458	1462	1444	1426	1375	1419	1404	1379	1389	1587	1699	1618	1502	1366	1246	
12.10.2008	1127	1042	1003	979	973	1006	1068	1162	1307	1392	1403	1363	1357	1346	1296	1285	1288	1311	1548	1672	1603	1505	1350	1197	
13.10.2008	1077	1025	976	967	992	1074	1249	1448	1516	1555	1522	1481	1461	1446	1448	1454	1419	1432	1629	1705	1661	1546	1394	1255	
14.10.2008	1131	1056	1024	1012	1027	1100	1259	1457	1505	1513	1469	1459	1420	1419	1420	1424	1405	1428	1607	1699	1634	1522	1387	1226	
15.10.2008	1131	1044	1022	1011	1021	1090	1280	1460	1536	1544	1501	1457	1449	1425	1449	1423	1403	1420	1635	1746	1662	1537	1401	1208	
<b>Average:</b>	<b>1129</b>	<b>1051</b>	<b>1010</b>	<b>996</b>	<b>1002</b>	<b>1067</b>	<b>1208</b>	<b>1376</b>	<b>1473</b>	<b>1496</b>	<b>1471</b>	<b>1452</b>	<b>1431</b>	<b>1411</b>	<b>1420</b>	<b>1410</b>	<b>1394</b>	<b>1397</b>	<b>1560</b>	<b>1682</b>	<b>1623</b>	<b>1520</b>	<b>1384</b>	<b>1252</b>	

**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
1.10.2008	115	120	141	138	142	77	146	163	198	253	287	286	259	235	204	215	217	214	175	200	169	185	141	133
2.10.2008	132	85	69	79	46	52	124	170	218	152	182	195	265	255	217	219	218	224	194	183	176	194	122	143
3.10.2008	4	8	-16	-52	-37	-64	27	-17	-39	-17	-16	-7	-3	-6	-10	-5	-16	-11	66	75	78	97	68	19
4.10.2008	-121	-141	-199	-177	-202	-207	-131	-151	-159	-156	-160	-161	-178	-179	-183	-190	-274	-277	-286	-259	-230	-238	-280	-259
5.10.2008	-168	-167	-181	-180	-170	-195	-167	-181	-185	-176	-168	-91	-107	-165	-161	-151	-148	-156	-191	-221	-180	-175	-188	-157
6.10.2008	-96	-119	-143	-155	-138	-189	10	25	42	67	93	168	169	157	160	128	148	151	142	137	141	60	-57	-155
7.10.2008	76	77	27	53	38	47	176	203	243	267	275	295	278	261	253	248	251	257	263	244	179	186	141	146
8.10.2008	64	64	71	73	54	16	73	153	193	236	246	248	241	259	257	233	254	243	223	299	263	244	133	140
9.10.2008	145	126	72	79	62	58	147	182	224	279	265	268	267	238	247	249	253	252	216	244	193	197	145	119
10.10.2008	127	140	75	71	69	45	172	217	234	273	293	245	243	227	223	228	228	245	208	235	168	189	186	127
11.10.2008	109	125	68	67	67	23	161	141	141	185	197	194	189	168	170	185	193	179	128	127	150	158	132	116
12.10.2008	125	114	76	79	73	71	158	131	139	148	155	204	192	157	183	150	143	130	115	101	125	138	90	134
13.10.2008	144	132	147	125	120	126	129	202	216	252	252	230	244	219	191	194	193	190	188	184	163	179	150	118
14.10.2008	115	141	109	93	89	136	142	176	214	239	249	232	255	230	234	214	208	230	231	245	226	239	205	226
15.10.2008	194	152	192	245	230	179	177	192	218	261	257	267	279	266	276	268	241	247	201	209	181	183	168	103
<b>Average:</b>	<b>64</b>	<b>57</b>	<b>34</b>	<b>36</b>	<b>30</b>	<b>12</b>	<b>90</b>	<b>107</b>	<b>126</b>	<b>151</b>	<b>160</b>	<b>172</b>	<b>173</b>	<b>155</b>	<b>151</b>	<b>146</b>	<b>141</b>	<b>141</b>	<b>125</b>	<b>134</b>	<b>120</b>	<b>122</b>	<b>77</b>	<b>64</b>



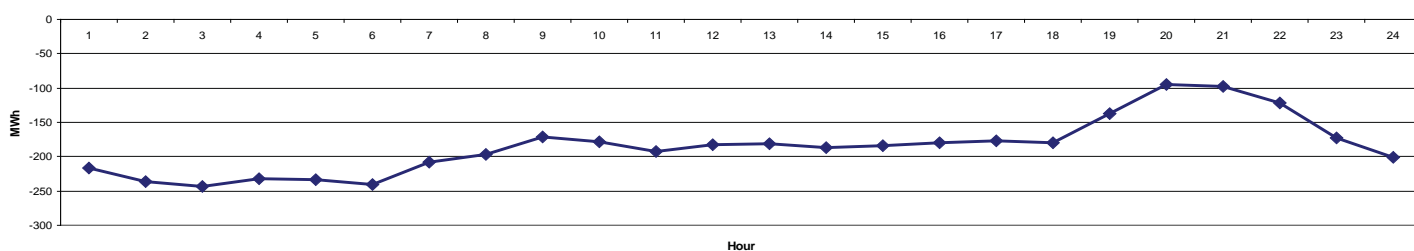


**Montenegro: Electricity exports in last 15 days per border (MWh)**

	1.10.2008	2.10.2008	3.10.2008	4.10.2008	5.10.2008	6.10.2008	7.10.2008	8.10.2008	9.10.2008	10.10.2008	11.10.2008	12.10.2008	13.10.2008	14.10.2008	15.10.2008
Montenegro - Albania	-339	119	324	658	514	114	88	294	2450	2812	2633	2793	2801	2392	2082
Montenegro - BiH	-4989	-5119	-4591	-3167	-2798	-2325	-1797	703	-2875	-4649	-4024	-4462	-4011	-5137	-5140
Montenegro - Serbia	303	-406	-1229	-25	217	494	297	-3198	-3317	-3499	-5504	-5269	-4061	-3716	-3102
<b>Total</b>	<b>-5024</b>	<b>-5406</b>	<b>-5497</b>	<b>-2534</b>	<b>-2068</b>	<b>-1717</b>	<b>-1412</b>	<b>-2200</b>	<b>-3741</b>	<b>-5336</b>	<b>-6895</b>	<b>-6937</b>	<b>-5272</b>	<b>-6461</b>	<b>-6160</b>

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

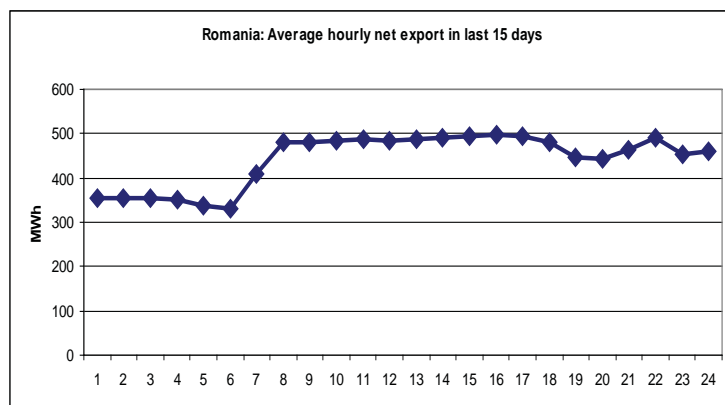
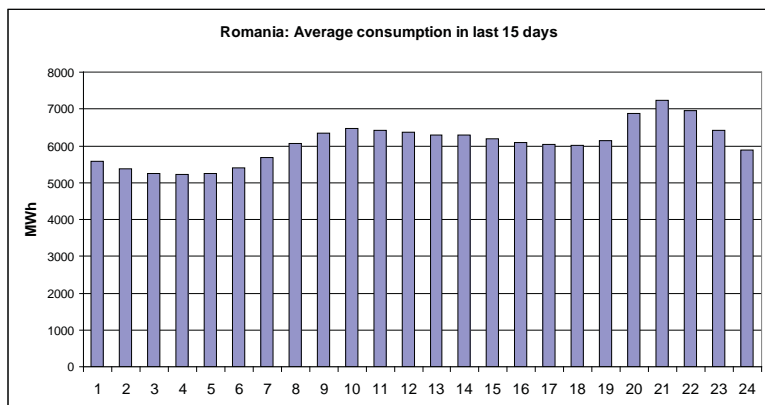
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.10.2008	-286	-251	-263	-239	-252	-247	-265	-204	-89	-114	-243	-266	-276	-316	-208	-126	-211	-266	-151	-20	-25	-146	-230	-328
2.10.2008	-293	-259	-236	-232	-235	-249	-273	-271	-277	-273	-272	-274	-231	-297	-299	-283	-274	-286	-248	-75	-37	-41	-49	-144
3.10.2008	-270	-265	-255	-228	-253	-232	-252	-288	-285	-292	-278	-292	-249	-299	-286	-274	-267	-233	-77	-12	-7	-40	-275	-289
4.10.2008	-278	-272	-246	-238	-234	-252	-254	-217	-147	-91	-101	-29	29	30	30	31	47	23	-13	-26	-29	-33	-97	-167
5.10.2008	-137	-231	-246	-244	-228	-239	-248	-273	-147	-2	-8	30	21	15	2	10	8	26	2	-48	-50	-43	-35	-4
6.10.2008	-134	-268	-245	-239	-233	-261	-15	3	2	11	-12	-15	-13	11	-8	-61	-60	-35	-22	-44	-33	-23	-28	2
7.10.2008	-10	-135	-245	-236	-233	-246	-16	16	58	34	35	23	-38	17	-4	-54	19	-75	-16	-29	-21	-31	-55	-172
8.10.2008	-283	-267	-256	-250	-238	-246	-181	-100	-77	-75	-60	-83	-74	-37	-45	12	42	29	3	21	23	-11	-44	-5
9.10.2008	-16	-123	-248	-239	-238	-211	-32	20	27	-218	-238	-148	-172	-198	-184	-222	-229	-232	-149	-97	-108	-151	-98	-304
10.10.2008	-271	-233	-236	-224	-229	-241	-267	-169	-157	-156	-164	-184	-179	-230	-262	-269	-265	-270	-275	-170	-188	-206	-239	-254
11.10.2008	-282	-244	-248	-230	-241	-243	-268	-295	-293	-303	-319	-308	-312	-316	-302	-292	-291	-298	-312	-282	-283	-297	-332	-307
12.10.2008	-277	-255	-241	-245	-235	-229	-249	-280	-320	-311	-314	-298	-311	-310	-315	-279	-286	-297	-314	-316	-310	-312	-347	-288
13.10.2008	-271	-248	-216	-216	-224	-244	-268	-300	-287	-297	-322	-319	-318	-293	-282	-291	-297	-198	-35	-8	-0	-44	-135	-160
14.10.2008	-181	-243	-221	-217	-219	-232	-257	-284	-272	-288	-299	-292	-292	-294	-293	-302	-285	-287	-299	-217	-267	-304	-323	-295
15.10.2008	-268	-260	-242	-213	-219	-239	-280	-304	-300	-304	-295	-295	-309	-289	-295	-297	-297	-291	-160	-110	-136	-153	-300	-305
<b>Average:</b>	<b>-217</b>	<b>-237</b>	<b>-243</b>	<b>-233</b>	<b>-234</b>	<b>-241</b>	<b>-208</b>	<b>-196</b>	<b>-171</b>	<b>-179</b>	<b>-193</b>	<b>-183</b>	<b>-182</b>	<b>-187</b>	<b>-183</b>	<b>-180</b>	<b>-176</b>	<b>-179</b>	<b>-138</b>	<b>-95</b>	<b>-98</b>	<b>-122</b>	<b>-173</b>	<b>-201</b>

**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
1.10.2008	5628	5415	5316	5286	5319	5448	5858	6342	6634	6724	6606	6622	6572	6578	6445	6318	6170	6122	6226	7042	7522	7239	6618	6024
2.10.2008	5639	5425	5336	5300	5332	5535	5856	6383	6638	6791	6696	6582	6484	6509	6422	6236	6137	6069	6163	6945	7408	7137	6574	6012
3.10.2008	5725	5517	5375	5296	5331	5507	5886	6354	6608	6696	6667	6577	6527	6465	6426	6340	6276	6231	6293	6967	7391	7136	6616	6094
4.10.2008	5670	5454	5318	5259	5280	5338	5444	5507	5896	6114	6113	6013	5903	5856	5709	5721	5768	5787	5975	6554	6824	6595	6120	5692
5.10.2008	5365	5140	4988	4993	5000	5051	5046	4804	4993	5164	5209	5229	5229	5181	5185	5126	5191	5236	5397	5999	6479	6276	5845	5308
6.10.2008	5076	4929	4853	4803	4902	5188	5651	6314	6656	6855	6772	6719	6689	6619	6579	6424	6273	6221	6318	7038	7466	7147	6571	6016
7.10.2008	5656	5512	5428	5420	5429	5592	5973	6480	6703	6803	6703	6723	6643	6643	6483	6371	6323	6242	6289	7042	7452	7202	6661	6141
8.10.2008	5680	5466	5335	5276	5345	5513	5895	6437	6754	6924	6874	6834	6700	6721	6630	6494	6454	6426	6486	7152	7443	7113	6550	5977
9.10.2008	5692	5485	5370	5346	5403	5557	5950	6523	6739	6781	6729	6680	6620	6640	6550	6431	6362	6332	6443	7232	7532	7163	6589	6004
10.10.2008	5785	5565	5465	5415	5465	5563	5965	6386	6660	6779	6698	6599	6498	6478	6381	6283	6273	6232	6277	7033	7363	7013	6575	5984
11.10.2008	5712	5511	5386	5322	5312	5386	5480	5534	5783	5940	5963	5854	5753	5734	5637	5609	5681	5689	5817	6456	6734	6537	6114	5657
12.10.2008	5433	5203	5070	5013	5039	5011	4965	4817	5004	5170	5224	5224	5212	5176	5129	5111	5163	5238	5511	6165	6464	6267	5846	5379
13.10.2008	5158	5028	4933	4893	4933	5109	5592	6221	6574	6771	6717	6663	6597	6547	6481	6280	6206	6134	6299	7143	7446	7114	6532	5965
14.10.2008	5708	5422	5300	5279	5340	5530	5876	6410	6656	6713	6692	6609	6541	6579	6454	6262	6193	6171	6342	7220	7472	7101	6588	6008
15.10.2008	5688	5503	5430	5357	5427	5554	5933	6364	6706	6763	6661	6606	6573	6581	6479	6290	6219	6188	6342	7222	7482	7153	6542	6068
<b>Average:</b>	<b>5574</b>	<b>5372</b>	<b>5260</b>	<b>5217</b>	<b>5257</b>	<b>5392</b>	<b>5691</b>	<b>6058</b>	<b>6334</b>	<b>6466</b>	<b>6422</b>	<b>6369</b>	<b>6303</b>	<b>6287</b>	<b>6199</b>	<b>6086</b>	<b>6046</b>	<b>6021</b>	<b>6145</b>	<b>6881</b>	<b>7232</b>	<b>6946</b>	<b>6423</b>	<b>5889</b>

**Romania: Electricity net 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
1.10.2008	267	270	270	269	255	247	313	344	342	348	352	349	353	357	362	366	366	355	320	308	331	362	313	324
2.10.2008	179	200	200	199	184	176	264	345	343	348	352	349	354	357	361	364	363	354	318	304	325	356	298	315
3.10.2008	235	239	240	240	225	207	296	349	347	352	355	351	357	360	363	369	368	359	324	311	333	363	308	318
4.10.2008	280	285	285	284	273	263	300	365	362	366	368	369	375	376	376	375	372	359	323	314	335	361	337	343
5.10.2008	178	171	173	192	184	181	240	303	299	309	322	328	330	321	311	306	306	295	277	272	281	304	317	327
6.10.2008	265	270	271	270	254	246	316	349	345	347	350	347	353	355	357	361	362	353	319	309	332	361	312	322
7.10.2008	264	267	257	255	242	223	281	345	344	346	351	346	350	354</										

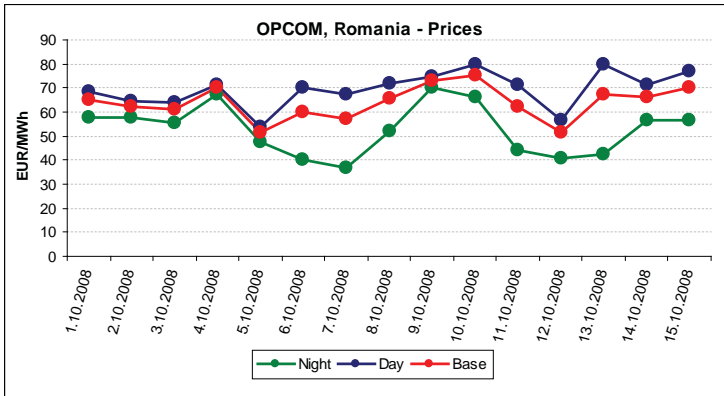
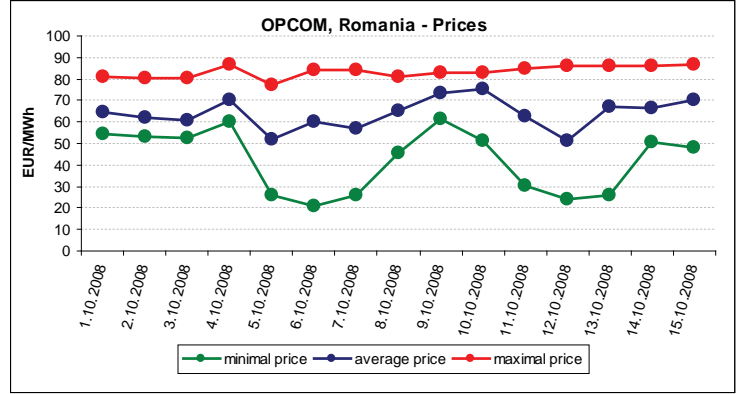
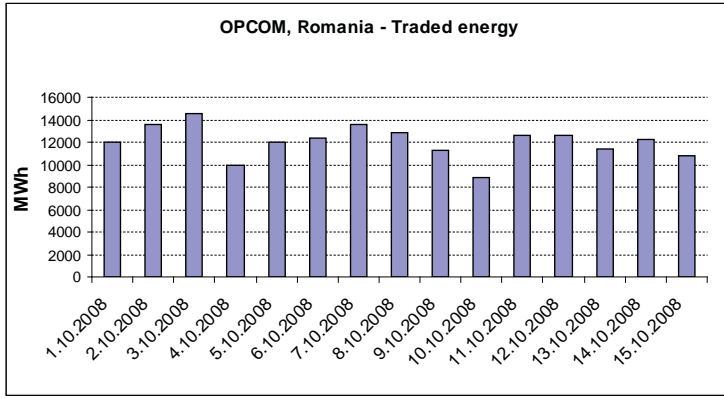


### Opcom, Romania: Traded energy in last 15 days (MWh)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.10.2008	553	457	490	493	477	433	404	462	502	512	496	510	531	530	548	496	514	514	524	567	455	499	490	550
2.10.2008	497	614	626	640	620	553	556	544	577	567	558	559	536	516	534	550	565	547	566	588	522	572	591	610
3.10.2008	635	667	644	629	644	647	658	570	600	603	576	613	595	596	603	620	637	616	460	617	546	559	565	589
4.10.2008	375	371	376	394	393	343	351	417	413	390	397	404	428	436	436	422	454	471	422	447	424	426	443	465
5.10.2008	432	462	460	437	433	439	465	514	501	515	525	536	536	524	530	544	569	557	525	560	447	478	503	540
6.10.2008	561	494	529	499	515	444	546	514	477	467	478	496	518	519	509	480	538	567	525	534	473	512	532	644
7.10.2008	596	583	574	575	564	589	621	549	585	590	527	565	589	574	583	533	530	551	565	482	414	530	614	641
8.10.2008	656	679	671	690	675	635	596	476	347	351	431	487	488	444	480	484	492	498	593	462	382	486	618	687
9.10.2008	439	497	520	475	418	371	364	455	414	468	471	489	512	515	539	567	554	554	452	359	322	397	507	612
10.10.2008	379	418	462	492	464	398	434	428	339	315	304	312	313	301	314	335	322	328	331	343	359	388	382	402
11.10.2008	473	417	469	494	490	455	421	504	559	558	516	528	537	561	577	590	579	592	589	522	517	503	559	595
12.10.2008	473	417	469	494	490	455	421	504	559	558	516	528	537	561	577	590	579	592	589	522	517	503	559	595
13.10.2008	538	563	585	561	578	519	474	375	339	333	328	387	528	511	521	552	547	540	509	379	299	418	482	508
14.10.2008	516	479	467	464	462	473	511	510	540	548	543	551	565	592	559	574	508	510	537	443	345	477	534	506
15.10.2008	505	403	440	465	445	507	429	552	446	425	438	470	469	478	484	440	424	483	451	414	334	383	448	429
<b>Average:</b>	<b>509</b>	<b>501</b>	<b>519</b>	<b>520</b>	<b>511</b>	<b>484</b>	<b>483</b>	<b>492</b>	<b>480</b>	<b>480</b>	<b>474</b>	<b>496</b>	<b>512</b>	<b>511</b>	<b>520</b>	<b>518</b>	<b>521</b>	<b>528</b>	<b>509</b>	<b>483</b>	<b>424</b>	<b>475</b>	<b>522</b>	<b>558</b>

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

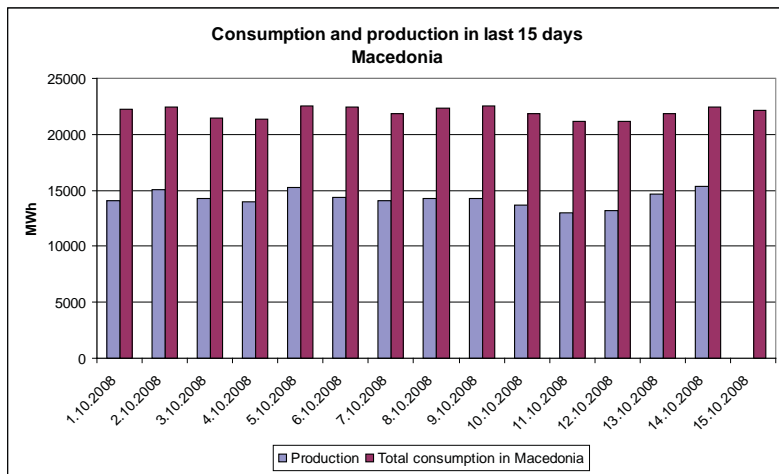
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.10.2008	54.86	56.73	55.36	54.55	55.36	56.73	56.98	64.82	67.79	71.58	72.92	68.88	67.79	67.79	67.79	63.48	59.69	56.98	67.53	77.51	81.05	79.95	70.22	59.41
2.10.2008	62.14	56.26	54.10	54.10	54.10	56.26	56.51	61.62	66.96	68.57	69.91	66.96	65.62	65.62	56.51	54.10	53.03	54.10	56.51	76.87	80.35	77.69	66.96	56.51
3.10.2008	54.39	53.55	53.01	52.75	53.28	53.55	54.09	54.09	64.26	67.21	67.21	66.94</												



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

### Mepso, Macedonia (MWh)

	1.10.2008	2.10.2008	3.10.2008	4.10.2008	5.10.2008	6.10.2008	7.10.2008	8.10.2008	9.10.2008	10.10.2008	11.10.2008	12.10.2008	13.10.2008	14.10.2008	15.10.2008
Production	14082	15061	14248	13990	15230	14375	14120	14246	14267	13678	12987	13176	14689	15392	15372
Import	8116	7340	7241	7409	7329	8057	7753	8101	8266	8207	8158	8008	7128	7085	6799
Total consumption in FYROM	22198	22401	21489	21399	22559	22432	21873	22347	22533	21885	21145	21184	21817	22477	22171



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

NOS BIH - Bosnia & Herzegovina						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > BIH	-	-	500	-	109	01.-30.11.2008.
Montenegro > BIH	-	-	450	-	225	01.-30.11.2008.
Serbia > BIH	-	-	250	-	125	01.-30.11.2008.
<b>EXPORT</b>						
BIH > Croatia	-	-	450	-	350	01.-30.11.2008.
BIH > Montenegro	-	-	400	-	159	01.-30.11.2008.
BIH > Serbia	-	-	250	-	114	01.-12.11.2008.
	-	-	300	-	114	13.-30.11.2008.

ESO - Bulgaria						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Bulgaria	-	-	100	-	50	01.-30.11.2008.
Romania > Bulgaria	-	-	300	-	200	01.-30.11.2008.
Greece > Bulgaria	-	-	300	-	150	01.-31.10.2008.
<b>EXPORT</b>						
Bulgaria > Serbia	-	-	400	-	200	01.-18.11.2008.
	-	-	300	-	150	19.-20.11.2008.
	-	-	400	-	200	21.-30.11.2008.
Bulgaria > Romania	-	-	100	-	0	01.-30.11.2008.
Bulgaria > Greece	-	-	400	-	300	01.-30.11.2008.

OPS HEP - Croatia						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Croatia	-	-	-	-	550*	01.-30.11.2008.
Slovenia > Croatia	-	-	-	-	100	01.-30.11.2008.
Serbia > Croatia	-	-	-	-	75	01.-30.11.2008.
BIH > Croatia	-	-	-	-	175	01.-30.11.2008.
<b>EXPORT</b>						
Croatia > Hungary	-	-	-	-	200*	01.-30.11.2008.
Croatia > Slovenia	-	-	-	-	100	01.-30.11.2008.
Croatia > Serbia	-	-	-	-	75	01.-30.11.2008.
Croatia > BIH	-	-	-	-	75	01.-30.11.2008.

\* Common auction conducted by MAVIR

MAVIR - Hungary						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Croatia > Hungary	600	200	400	200	200	01.-30.11.2008.
Romania > Hungary	450	100	350	225	125	01.-30.11.2008.
Serbia > Hungary	350	100	250	175	75	01.-30.11.2008.
<b>EXPORT</b>						
Hungary > Croatia	1200	200	1000	450	550	01.-30.11.2008.
Hungary > Romania	200	100	100	75	25	01.-30.11.2008.
Hungary > Serbia	600	100	500	275	225	01.-30.11.2008.

MEPSO - Macedonia						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Serbia > Macedonia	440	100	340	150	20	01.-30.11.2008.
Greece > Macedonia	400	100	300	0	150	01.-30.11.2008.
<b>EXPORT</b>						
Macedonia > Serbia	300	100	200	0	100	01.-30.11.2008.
Macedonia > Greece	180	100	80	0	0	01.-30.11.2008.

TSO EPCG - Montenegro						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Albania > Montenegro	-	-	-	-	100	01.-30.11.2008.
BIH > Montenegro	-	-	-	-	75	01.-30.11.2008.
Serbia > Montenegro	-	-	-	-	50	01.-12.11.2008.
	-	-	-	-	75	13.-30.11.2008.
<b>EXPORT</b>						
Montenegro > Albania	-	-	-	-	50	01.-30.11.2008.
Montenegro > BIH	-	-	-	-	150	01.-30.11.2008.
Montenegro > Serbia	-	-	-	-	140	01.-30.11.2008.

Transelectrica - Romania						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Bulgaria > Romania	200	100	100	100	0	01.-30.11.2008.
Serbia > Romania	200	100	100	100	0	01.-30.11.2008.
Hungary > Romania	200	100	100	50	50	01.-30.11.2008.
Ukraine > Romania	200	100	100	100	0	01.-30.11.2008.
<b>EXPORT</b>						
Romania > Bulgaria	400	100	300	100	200	01.-30.11.2008.
Romania > Serbia	550	100	450	100	350	01.-18.11.2008.
	400	100	300	100	200	19.-20.11.2008.
	550	100	450	100	350	21.-30.11.2008.
Romania > Hungary	350	100	250	100	150	01.-18.11.2008.
	450	100	350	100	250	19.-20.11.2008.
	350	100	250	100	150	21.-30.11.2008.
Romania > Ukraine	150	100	50	0	50	01.-30.11.2008.

EMS - Serbia						November 2008.
Border+Direction	TTC	TRM	NTC	AAC	ATC	Validity period:
<b>IMPORT</b>						
Hungary > Serbia	-	-	-	-	250	01.-30.11.2008.
Romania > Serbia	-	-	-	-	25	01.-18.11.2008.
	-	-	-	-	0	19.-20.11.2008.
	-	-	-	-	25	21.-30.11.2008.
Bulgaria > Serbia	-	-	-	-	200	01.-18.11.2008.
	-	-	-	-	150	19.-20.11.2008.
	-	-	-	-	200	21.-30.11.2008.
Macedonia > Serbia	-	-	-	-	100	01.-30.11.2008.
Albania > Serbia	-	-	-	-	105	01.-30.11.2008.
Montenegro > Serbia	-	-	-	-	190	01.-12.11.2008.
	-	-	-	-	215	13.-30.11.2008.
BiH > Serbia	-	-	-	-	125	01.-30.11.2008.
Croatia > Serbia	-	-	-	-	125	01.-30.11.2008.
<b>EXPORT</b>						
Serbia > Hungary	-	-	-	-	125	01.-30.11.2008.
Serbia > Romania	-	-	-	-	50	01.-30.11.2008.
Serbia > Bulgaria	-	-	-	-	50	01.-30.11.2008.
Serbia > Macedonia	-	-	-	-	170	01.-30.11.2008.
Serbia > Albania	-	-	-	-	100	01.-30.11.2008.
Serbia > Montenegro	-	-	-	-	120	01.-12.11.2008.
	-	-	-	-	145	13.-30.11.2008.
Serbia > BiH	-	-	-	-	125	01.-12.11.2008.
	-	-	-	-	150	13.-30.11.2008.
Serbia > Croatia	-	-	-	-	125	01.-30.11.2008.



- 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:

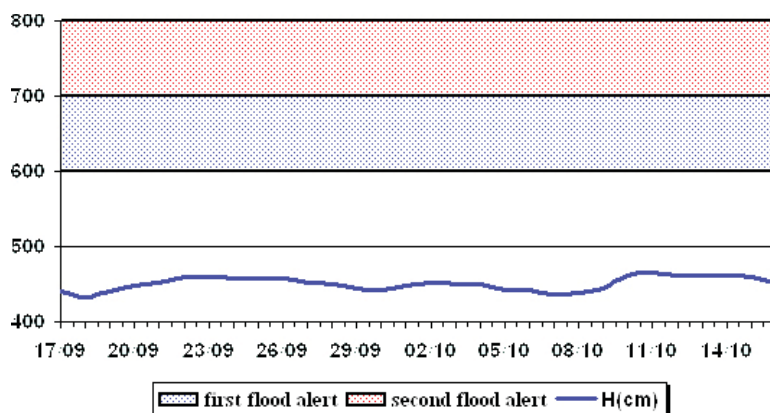
HPP Portile de Fier I, 1167 MW, Romania

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)



## Forecasted weather conditions for the following period

	17.10.	18.10.	19.10.	20.10.	21.10.	22.10.	23.10.	24.10.	25.10.	October averages.
<b>Albania</b> <i>Tirana</i>	T: 10-24 W: - R: -	T: 13-22 W: NE 17 R: -	T: 9-23 W: - R: -	T: 9-23 W: NE 6 R: -	T: 8-23 W: L-V R: -	T: 8-23 W: - R: -	T: 8-23 W: - R: -	T: 7-18 W: NE 15 R: -	T: 5-21 W: NW 4 R: -	Temperature: 10-22 Amount of rain: 130 Number of rain days: -
<b>Bosnia and Herzegovina</b> <i>Sarajevo</i>	T: 6-13 W: NE 9 R: 7	T: 6-16 W: NE 11 R: -	T: 9-13 W: - R: -	T: 6-16 W: - R: -	T: 2-21 W: - R: -	T: 3-22 W: - R: -	T: 5-21 W: - R: -	T: 5-9 W: NE 9 R: -	T: -1-12 W: - R: -	Temperature: 5.7-16.5 Amount of rain: 77 Number of rain days: 8
<b>Bulgaria</b> <i>Sofia</i>	T: 7-23 W: SW 4 R: -	T: 8-18 W: NE 9 R: -	T: 7-19 W: - R: -	T: 8-21 W: L-V R: -	T: 9-21 W: - R: -	T: 7-22 W: - R: -	T: 9-21 W: - R: -	T: 8-18 W: NE 16 R: -	T: 8-19 W: - R: -	Temperature: 5.7-16.6 Amount of rain: 35 Number of rain days: 7
<b>Croatia</b> <i>Zagreb</i>	T: 13-14 W: NE 9 R: 7	T: 4-14 W: SE 8 R: -	T: 6-17 W: - R: -	T: 6-17 W: - R: -	T: 6-23 W: - R: -	T: 7-22 W: SW 4 R: -	T: 7-21 W: N 4 R: -	T: 7-13 W: NE 4 R: -	T: -1-17 W: L-V R: -	Temperature: 5.8-16.2 Amount of rain: 71 Number of rain days: 10
<b>Greece</b> <i>Athens</i>	T: 17-25 W: SW 4 R: -	T: 19-24 W: NE 4 R: 2	T: 19-23 W: NE 11 R: -	T: 18-23 W: NW 11 R: -	T: 18-22 W: NE 16 R: -	T: 14-22 W: N 9 R: -	T: 15-22 W: NW 4 R: -	T: 16-22 W: NW 8 R: -	T: 16-20 W: N 17 R: -	Temperature: 13.4-23.3 Amount of rain: 52 Number of rain days: 7
<b>Macedonia</b> <i>Skopje</i>	T: 6-23 W: W 4 R: -	T: 10-17 W: NE 20 R: -	T: 10-18 W: - R: -	T: 10-19 W: N 4 R: -	T: 4-21 W: - R: -	T: 5-22 W: - R: -	T: 6-23 W: - R: -	T: 6-16 W: NE 24 R: -	T: 7-12 W: - R: -	Temperature: 6.3-19 Amount of rain: 42 Number of rain days: 9
<b>Montenegro</b> <i>Podgorica</i>	T: 11-22 W: NE 6 R: 8	T: 14-20 W: NE 19 R: -	T: 13-18 W: - R: -	T: 12-23 W: NE 4 R: -	T: 12-25 W: - R: -	T: 11-25 W: - R: -	T: 11-26 W: - R: -	T: 11-18 W: NE 16 R: -	T: 7-17 W: NW 6 R: -	Temperature: 11.7-21.7 Amount of rain: 166 Number of rain days: 9
<b>Romania</b> <i>Bucharest</i>	T: 11-23 W: SW 9 R: -	T: 11-17 W: NW 4 R: -	T: 4-17 W: - R: -	T: 4-18 W: L-V R: -	T: 6-19 W: - R: -	T: 6-17 W: - R: -	T: 6-19 W: - R: -	T: 5-12 W: NE 18 R: -	T: -1-13 W: - R: -	Temperature: 5.7-18 Amount of rain: 32 Number of rain days: 5
<b>Serbia</b> <i>Belgrade</i>	T: 13-14 W: NW 19 R: 7	T: 6-16 W: NE 8 R: -	T: 9-18 W: - R: -	T: 8-16 W: - R: -	T: 7-20 W: - R: -	T: 9-23 W: L-V R: -	T: 12-22 W: - R: -	T: 9-11 W: NE 17 R: -	T: 4-13 W: - R: -	Temperature: 8.3-18 Amount of rain: 40 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:****Hydro power plants in Serbia**

Hydro production in Serbia is divided into two companies, both as a part of EPS. First, "Hidroelektrane Djerdap" operates with HPPs: Djerdap 1, Djerdap 2, Pirot and Vlasina. 2nd company, "Drinsko – Limske Hidroelektrane" operates with HPPs: Elektromorava, Zvornik, Limske HPP, Bajina Basta and reversible HPP Bajina Basta.

**Hidroelektrane Djerdap****HPPs Djerdap**

HPPs Djerdap 1 and Djerdap 2 were built under agreement between Serbia and Romania. Each of them can be considered as two symmetric HPPs. Both Serbia and Romania own and operate equal parts and equipment of entire complex, according to agreement. Both parts of each HPP are connected, so aggregates can directly redirected electricity from one side to another.

**HPP Djerdap 1**

Construction of HPP "Djerdap 1" has started in 1964 and first unit was introduced to the system in 1970, while last was completed in 1972. HPP Djerdap 1 is run-on-river type, with small dynamic volume, and it is used to cover peak demand. HPP "Djerdap 1" is located 10 km upstream from Kladovo, 943 km upstream from the mouth of the river Danube. The main facility is symmetrical, with spillway-type dam in the middle of the Danube riverbed.

Serbian part of HPP Djerdap 1 has six 176 MW units, with total capacity of 1057 MW. Units have "Kaplan" type turbines, 190 MVA, with a 9.5 meters diameter. Total volume of the reservoir is 1380 million cubic meters. Annual generation is around 5500 GWh. It is used to cover peak demand.

According to contract signed between Russia and Serbia regarding the settlement of old clearing debts, the renewal of HPP Djerdap should be performed in the next six years and it will be carried out by Russian company Silovie Mashini. By original contract, signed in 2003, worth of the renewal is estimated at over 100 million dollars. Problems occurred when Russian company demanded 184 million dollars for the job, saying the price of copper and steel considerably increased since the contract was signed, while dollar depreciated against euro. Serbian experts believe that original contract price of 100 million dollars is fair.

Russian company Silovie Mashini has manufactured original equipment in HPP Djerdap. After the renewal, output of the HPP should be increased from 1,080 MW up to 1,200 MW. Renewal was to start in this year, but it is expected that it will start in summer 2009.

**HPP Djerdap 2**

The construction of HPP "Djerdap 2" has started in the end of 1977, and the first units were put into operation in 1985. HPP Djerdap 2 is virtually a compensating reservoir and most of its production is placed in the constant part of the load diagram, so it cannot take part in system load regulation. HPP "Djerdap 2" is located 80 km downstream from HPP "Djerdap 1". Serbian part of "Djerdap 2" has 10 bulb-type hydro-units, each of 27 MW, making the total of 270 MW. The annual power generation in HPP "Djerdap 2" is about 1500 GWh.

**HPP Pirot**

HPP Pirot has been introduced into system in 1990, with two 40 MW units. Turbines are vertical Francis type. It is storage HPP. Total reservoir volume is 180 million cubic meters, while useful volume is 130 million cubic meters. Average generation of HPP Pirot is around 85 GWh.

There are plans to convert Toplodolska river into HPP Pirot reservoir, called Zavoj. It is estimated that this redirection could increase annual production of HPP Pirot by 30 GWh. Water shall be converted into Zavoj reservoir through a 5.5 km long conveying tunnel. By the end of 2001, 2.6 km long conveying tunnel was pierced. For continuation of realization of this project, it is necessary to harmonize the documentation with the requirements of local government.

**HPP Vlasina**

HPP Vlasina system has four storage HPPs: Vrla 1, Vrla 2, Vrla 3 and Vrla 4. Overall Output of 10 units in HPP Vlasina system is 129 MW. Annual generation is 285 GWh.

These HPPs are set up in cascades from the Vlasina to Vladicin Han. The waters from Lake Vlasina, formed by construction of an earth dam on the River Vlasina, as well as the water from the catchment of the Bitvrdja, Romanovska and Masuricka rivers reach these hydro power plants through tunnels. Within the scope of the Vlasina hydro power plants system, a large pumped-storage plant "Lisina" was constructed on the mountain rivers Bozica and Lisina, the task of which is, to re-pump the waters, when necessary, from Lake Lisina into Lake Vlasina, which is the main storage reservoir of hydro power plants on the River Vlasina. There were some announcements that tender for renewal of HPP Vlasina should be published.

**Drinsko – Limske Hidroelektrane**

The subsidiaries of "Hydro Power Plants Drinsko-Limske" are:

- HPP Bajina Basta
- HPP Limske
- HPP Zvornik
- HPP Elektormorava

**HPP Bajina Basta**

HPP "Bajina Basta" in Perucac is the largest hydro power facility built on the river Drina, with 90 meters high and 460 meters

long dam. There are four units of the total capacity of 364 MW (91 MW each). This hydro-power plant is a run-of-river type, with an annual power generation of about 1500 GWh. In 2006, HPP Bajina Basta produced 1.7 TWh of electricity. It is included in the system for secondary control of frequency and exchange power. There are plans for construction of fifth, 42 MW unit. In December 2006, EPS has launched a tender for renewal of HPP Bajina Basta. In November 2007, Power utility of Serbia (EPS) and Austrian company Va Tech Hydro GmbH signed the contract for renewal of hydropower plant (HPP) Bajina Basta. The Austrian company was selected as the winner in the tender.

The worth of the contract is 65.6 million euros, where 30 million euros will be the loan of German KfW Bank and the rest will be provided by EPS and HPPs Drinsko-Limske, the part of which is HPP Bajina Basta.

The renewal works should start in June 2009 and it should be finished until 2012. The works should include replacement and overhaul of almost entire equipment at four 92.8 MW units in the HPP, and increase of power output up to 105 MW per unit. By the renewal, the operational life of 41 years old HPP will be prolonged by another 40 years, officials from EPS said.

### Reversible HPP Bajina Basta

RHPP "Bajina Basta" is a pump storage hydro power plant. The level of use of pump-turbine is 0.73, which defines this plant as a consumer. Water inflow in the upper storage reservoir is insignificant in comparison with the pumped quantities of water. These reasons cause a rational use of the plant in terms of its maximum engagement in operating with generator within the shortest possible time. Most of the useful storage volume (150 million cubic meters) which make this plant very suitable for providing a part of cold reserve in the system.

RHPP Bajina basta has 2 units with total available capacity 614 MW and annual electricity power production of 501 GWh. In 2006, RHPP Bajina Basta produced 617.4 GWh of electricity

### HPP Limske

HPP Limske consist of 4 hydro power plants:

-HPP Uvac, one 36 MW unit, storage HPP, constructed in 1979  
-HPP Kokin Brod, two 11 MW units, storage HPP, constructed in 1967

-HPP Bistrica, two 51 MW units, storage HPP, constructed in 1967

-HPP Potpec, three 17 MW units, run on river type, constructed in 1970.

In 2006 the same time, HPP Limske achieved record production of 877 GWh.

### HPP Zvornik

HPP Zvornik was built in 1958, as the last plant in the middle course of the river Drina, 93 km from the mouth of the Drina into the Sava. HPP Zvornik is a run-of-river type. The dam spanning the river contains two machine rooms, one on the left, the other on the right bank of the river. The plant has four vertical units with Kaplan water turbines of the total capacity of 92 MW. HPP Zvornik has an average annual power generation of about 500 million kWh. EPS has announced a tender for renewal of HPP Zvornik, for which 75 million euros will be spent.

### HPP Elektromorava

HPP Elektromorava operates with two HPPs:

-HPP Medjuvsrje, 11 MW, run on river type

-HPP Ovcar Banja, 6 MW, run on river type

Average production of these two HPPs is 67 GWh, and they are the oldest HPPs in Serbia, built in period from 1954-1957. According to their characteristics, they are virtually distribution plants. Recently, EPS has announced plans for revitalization of these two HPPs.

Table: Annual production in GWh

	2000	2001	2003	2004	2005	2006	2007
HPP Djerdap 1	5366	5665	4259	5489	6043	5301	5199
HPP Djerdap 2	1256	1492	1082	1504	1412	1211	1432
HPP Pirot	119	39	145	87	178	143	87
HPP Vlasina	261	140	334	285	399	409	291
HPP Bajina Basta	1470	1547	1418	1619	1822	1720	1323
RHPP Bajina Basta	516	734	303	501	621	615	574
HPP Zvornik	458	497	438	550	562	517	426
Limske HPP	864	455	722	719	809	869	531

Table: Overall hydro production in GWh

	1	2	3	4	5	6	7	8	9	10	11	12	Sum
2000	1125	1037	1290	1201	1021	789	756	669	447	720	661	681	10397
2001	910	912	1089	1244	1043	892	739	656	780	728	812	889	10694
2002	715	845	1010	1098	854	762	541	746	675	1181	1066	1036	10529
2003	1292	1071	1050	946	855	667	495	461	362	700	690	625	9214
2004	880	984	1288	1187	1178	1040	767	581	490	653	898	1192	11138
2005	Available only as Serbia with Montenegro												
2006	Available only as Serbia with Montenegro												
2007	785	900	1103	893	762	706	651	513	697	708	1057	1135	9910

Monthly Hydro Electricity Generation Serbia with Montenegro

2005	1266	1215	1361	1311	1481	1175	991	929	911	981	983	1275	13879
2006	1458	1216	1533	1228	1369	1217	974	748	693	605	637	816	12494

**News:****Russian media: South stream project to be delayed for two years (Region)**

According to Russian paper Vedomosti, which was quoted by several media in the region, the South stream natural gas pipeline could be put in service not before 2015, compared to original deadline of 2013. Vedomosti quoted reliable sources from Gazprom.

According to Gazprom's strategy of development of natural gas sector until 2030, the copy of which was seen by Russian paper, South stream project would be put in service between 2015 and 2024. According to the same document, North stream pipeline should be put in service in 2011, instead in 2010.

Spokesperson of Gazprom Denis Ignatiev did not want to comment the news because Gazprom had never said the exact year for the start of the project. However, Gazprom said that pipeline might be operational in 2013, but this would depend on many factors, Ignatiev said.

Russian paper also quoted local analysts who believe that each year of delay could add some 5-10 % to project's costs. They also said that the first estimations regarding the construction period were unreal and that works should last between five and seven years. Only in Russia, some 2,400km of pipelines should be built.

Sources from Gazprom also said that company should prepare necessary technical documents for the entire project by mid 2009, after which the exact deadline for putting the pipeline in service would be known.

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**Financial crisis not to affect Nabucco project (Region)**

According to Hungary's representative in Nabucco natural gas project, Mihai Bayer, global financial crisis would not affect plans for construction of the pipeline.

In the same time, Bayer did not exclude possibility for spending more time than it was originally planned for providing the financial package for the project. Official said that commercial and political preparations for the project were underway. The original financial partners in the project had not changed their plans for investing in Nabucco pipeline, Bayer pointed out.

According to Bayer, in January 2009 in Budapest, conference regarding Nabucco project will take place. The highest officials from the states whose companies are members of Nabucco consortium, natural gas suppliers and transporters, as well as officials from USA and EU should attend the conference.

There is an option for Nabucco pipeline to transport natural gas from Russia but this is less likely to happen having in mind policy of diversification of energy supplies.

The Nabucco pipeline should run across Azerbaijan, Georgia, Turkey, Bulgaria, Romania, Hungary, Austria and possibly Germany. It should transport some 30 billion cbm of natural gas per year, while the cost of the project should be some 7.3 billion dollars.

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**EP BiH to be restructured in 2009 (Bosnia and Herzegovina)**

Power utility of Bosnia and Herzegovina (EP BiH) should be transformed into complex company in accordance to particular activities. Minister of energy of Federation of BiH Vahid Heco said that this would be in accordance to Action plan for restructuring of electricity sector of Federation of BiH.

The most important problem for restructuring of EP BiH will be restructuring of coalmines and payment of their debts, which should be regulated by special law.

The law is in parliamentary procedure and it envisages payment of 160 million euros of debts in the period of five years. After this was resolved, EP BiH and coalmines will be merged into one company, after which EP BiH will be separated into production, transmission and supply divisions.

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**Energoinvest to prepare projects for construction of new power plants in the country (Bosnia and Herzegovina)**

Local companies Energoinvest and IPSA should be most likely winners in the tender for making the general designs both for new hydro and thermal power plants (HPPs and TPPs) in the country. The worth of the contract will be 16 million euros.

The project will be funded by Power utility of Bosnia and Herzegovina (EP BiH) and it refers to general designs for HPPs Vranduk, Ustikolina and Unac and for TPPs Kakanj, Tuzla and Bugojno.

Sources said that Energoinvest-IPSA bid related to HPPs is by far the most favorable, while the new designer for TPPs will be decided after close competition between three bidders (including consortium Energoinvest-IPSA).

According to terms of this international tender, local companies have 15 % discount preferential benefits, i.e. they would win in the tender even if their bids were up to 15 % higher comparing to bids of international companies.

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### **Five companies interested in oil and natural gas researches (Bosnia and Herzegovina)**

Local company Energoinvest confirmed that five companies had submitted letters of interest after publishing the public invitation for strategic partner in the project for oil and natural gas researches in Federation of Bosnia and Herzegovina (EP BiH).

The interest was expressed by companies from USA, Canada, and Croatia and from Arab countries. Deputy head of Energoinvest, Ibrahim Bosto, did not want to reveal the names of the companies, yet he said they were respectable and well known in oil sector.

According to plans, Energoinvest and strategic partner will establish joint venture company. The cost of the project should reach hundreds of million of dollars, Bosto said.

International tender should be launched by the end of October, where the bids could be submitted also by the companies that did not submit a letter of interest.

Energoinvest was granted exclusive 10-year license for oil and natural gas explorations in Federation of BiH. The researches should be conducted near Orasje, Odzak, Tuzla, in Sarajevo-Zenica basin, and near Glamoc, Livno, Mostar, Stolac and Neum.

In the same time, dean of Geological faculty in Tuzla believes that Energoinvest's public invitation was against the laws, having in mind that granting the concession contracts could be only made by cantonal authorities. He said that Tuzla Canton has been in contacts with U.S. - Canadian company Seed Rock, which should submit official request to cantonal government regarding the oil researches. The company earlier announced it was ready to invest 40 million euros for exploration projects in northeast Bosnia.

Energoinvest's deputy head said that company acted in accordance to laws, having in mind that federal government granted concession rights to Energoinvest. The company would certainly have talks with cantonal governments in case of signing particular concession contracts, Bosto said.

In the same time, local press reported that Croatian oil company (INA) was one of the companies that expressed interest in the public invitation. Spokesperson of INA, Bojan Vinek, said to local media that INA was interested in the project, where, in this phase, Energoinvest wanted to investigate interest for the project.

Previously, interest for oil exploration projects was expressed by Malaysian businessman Joseph Vijay Kumar, which owns Tara-Drina company in BiH, as well as some US companies.

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### **General Electric to invest 400 million euros in energy and health sector in RS (Bosnia and Herzegovina)**

Prime minister of Republic of Srpska (RS) Milorad Dodik confirmed that General Electric (GE) would invest some 400 million euro in energy and health sector of RS. The government of RS and GE should sign contract on October 23, where 300 million euros should be invested in energy sector and 100 million euros should be invested in health sector.

During the same occasion, Dodik said that government has been negotiating with German RWE regarding the investments in RS. According to announcements, RWE should invest funds in construction of new hydropower plants in the entity. Dodik pointed that the state would not sell its five existing HPPs.

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### **Russians paid last payment for purchase of oil companies in RS (Bosnia and Herzegovina).**

Government of Republic of Srpska (RS) confirmed it had collected the last payment of 18.275 million euros for sale of oil companies in RS to Russian NefteGazInkor.

Ministry of economy, energy and development also said that, according to its knowledge, reconstruction of Oil refinery in Brod should be finished soon. In the same time, inspection of 13 km long part of Adriatic pipeline (Janaf) from Slavon-ski Brod (Croatia) and refinery in Brod is yet to be performed. NefteGazInkor and Janaf have signed contract for delivery of crude oil to the refinery.

According to latest development, test production in refinery should start in the end of October, ministry said.

On the other hand, several local media said that oil production in the Brod refinery would hardly start by the end of the year. According to these sources, the overhaul is not completed yet, and the crude oil was not delivered to refinery.

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### **ERS to cut production target for 2008 (Bosnia and Herzegovina)**

Due to unfavorable hydrology in this year, Supervision board of Power utility of Republic of Srpska (ERS) decided to cut production target for this year. The final decision should be approved by the government.

According to the proposal of the Board, annual electricity production in this year should reach 5.102 TWh, which would be 3.5 % lower comparing to original plans. In the same time, planned production in hydropower plants should be reduced by 14 %, while planned production in thermal power plants (TPPs) should be increased by 4 %.

According to new balance, ERS should have 1.1 TWh of electricity surplus in this year, which should be offered in free market. The overall income of the company in 2008 should reach 303 million euros, while overall expenses should reach 289 million euros.

According to head of ERS, Branislava Milekic, during the first eight months, ERS earned some 66 million euros from electricity export. The electricity was sold through international tenders.

In the next year, planned electricity production was set at 5.288 GWh, where 57 % will be produced by TPPs and the rest by HPPs. In the same time, planned electricity consumption was set at 4.554 TWh.

Commenting the new investments, Milekic confirmed that company has been preparing a tender for reconstruction of boiler in TPP Ugljevik. The worth of the project will be 17.5 million euros. The company is also engaged in purchase of mining equipment for coalmines in Gacko and Ugljevik.

Milekic also said that study for HPP Gornja Drina (former Buk Bijela) should be completed by the end of October. Finally, ERS has started negotiations with CEZ regarding the recapitalization of coalmine and TPP Gacko, Milekic concluded.

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### **Electricity and coal production in accordance to plans in H1 (Bosnia and Herzegovina)**

Government of Federation of Bosnia and Herzegovina (BiH) confirmed that electricity and coal production in the first half of the year were in accordance to plans.

In the first six months, coal production stood at 3.05 million tons (1.85 million tons of black coal and 1.2 million tons of lignite), which was 5 % lower than planned. Out of this amount, 2.5 million tons was delivered to thermal power plants (TPPs). In the same time, coal export stood at 64,000 tons.

In the same period, electricity production in Federation of BiH reached 4.1 TWh (-1 %). The production in TPPs was 4 % higher than planned, while production in hydropower plants (HPPs) was 7 % lower than planned.

The import of oil derivatives reached some 407,600 tons (-5 %), while consumption reached 415,000 tons. The import of natural gas reached 126.9 million cbm, which was 1 % higher than planned.

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### **Unit 6 in NPP Kozloduy in service after regular overhaul (Bulgaria)**

In the first week of October, unit 6 (1,000 MW) in nuclear power plant (NPP) Kozloduy was put in service after completing the regular annual maintenance. The unit was disconnected on August 23.

The management of the company confirmed that all planned works have been made and that unit was refueled with new nuclear fuel.

In the same time, unit 5 was operating at full power. Unit 5 completed its maintenance works this summer.

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### **Financial crisis not to affect Belene project (Bulgaria)**

Minister of economy and energy Petar Dimitrov believes that financial crisis would not affect construction of nuclear power plant (NPP) Belene, i.e. the project will proceed in accordance to schedule. Minister Dimitrov said this during the intergovernmental meeting of Bulgaria and Russia held in Sofia.

By the end of the year, Bulgaria should make advance payments for manufacturing the necessary equipment for the plant. As a reminder, Russian AtomStroyExport will deliver and install equipment for the NPP.

During the meeting, Russian side reaffirmed its proposal to provide state loan for the project. This was first time proposed by current Russian prime minister and former president Vladimir Putin in January this year. Minister Dimitrov said that this option could be used in case of need.

Russian side confirmed during the meeting that all technical issues related to the start construction of NPP Belene have been resolved. By the end of the year, main technological parts of the units will be ordered, while construction works at the site of the NPP should start in March next year, Russian representative in the meeting, Sergey Sobyenin said.

Minister Dimitrov also confirmed that Russian side strongly denied recent claims regarding delays in South stream project. By the end of October, Gazprom and recently founded Bulgarian energy holding (BEH) will sign corporate agreement, while, by March 2009, two sides should sign shareholders agreement for the project.

On the other hand, Sobyenin confirmed that oil project Bourgas- Alexandropoulos would be delayed for 2-3 months.

Minister Dimitrov also announced that Bulgargaz and Gazprom should agree on delivering of additional 500 million cbm of natural gas to Bulgaria. Minister said that Bulgaria would have to import more than 3-3.4 billion cbm of gas per year, as it was agreed by the annexes signed in 2006. The estimations show that Bulgaria's annual natural gas consumption should reach 6 billion cbm. Minister Dimitrov did not clarify whether the delivery of additional amount of gas would be regulated through existing or new contract.

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## **RWE selected to be strategic partner in NPP Belene (Bulgaria)**

In the beginning of October, minister of economy and energy Petar Dimitrov confirmed that German RWE would be a strategic partner in the project for construction of nuclear power plant (NPP) Belene (2x1,000 MW). RWE outbid Belgian Electrabel in the final stage of the tender.

The winner in the tender will acquire 49 % stake in the project and it will be obliged to invest 1.275 billion euros in new company and to pay 550 million euros as a premium to the majority owner of the NPP, the National electric company (NEK). According to RWE's bid, the premium of 550 million euros could be increased in case of rise of consumer prices in EU. According to stipulations, the premium would be exclusively used for covering NEK's capital expenses in Belene project.

RWE will also provide 300 million euros loan for ordering the equipment for the NPP. In the same time, RWE offered to provide corporate loan of 300 million euros for payment of operational costs and purchase of equipment.

According to abovementioned data, RWE will provide 2.125 billion euros for the project. According to official estimations, the cost of the project should reach 4 billion euros. NEK's stake will be secured through fixed assets at the site of NPP and premium paid by RWE.

The shareholders' agreement between NEK and RWE will be signed by the end of October, while the new company should be established in November. RWE still needs to decide whether to include second-ranked bidder, Electrabel, in the project.

The NPP Belene will be built by Russian AtomStroyExport, with subcontractors Areva and Siemens. The worth of the contract signed by NEK and AtomStroyExport is some 4 billion euros. Recently, NEK admitted that costs could be 20 % higher, due to inflation but also due to costs that had not been included in original contract.

RWE proposed that sale of electricity from new plant should be done by separate company, owned by strategic partners. RWE also confirmed it preferred sale of electricity through annual contracts. In the same time, RWE will insist on establishment of operator-company for the NPP Belene.

According to sources, Bulgaria is having problems with providing the fund for the project. Minister Dimitrov said that Bulgaria prefers loans from European banks, but also did not exclude an option for accepting the loan offer from Russia.

The construction works should start in March next year, and it should last for 4-5 years.

In the related news, Greenpeace issued a statement in which it said that RWE would compromise its reputation by taking the part in Belene project. Greenpeace said that corruption and underdeveloped safety culture in Bulgaria could endanger entire project. In the same time, use of Russian technology and earthquake prone construction site already raised concerns in RWE board, Greenpeace said. Several ecological organizations

in Bulgaria and Europe reminded that region of Belene was hit by earthquake in 1977.

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## **28 million euros for Sofia heating company (Bulgaria)**

Council of Sofia municipality decided to increase its stake in Sofia heating company by investing 28 million euros. The funds will be used for paying the debts toward natural gas supplier Bulgargaz. Bulgargaz several times warned company it would cut natural gas supplies due to considerable debts.

After the latest decision, municipality will increase its stake in the heating company from 58 % up to 75 %. This will give more management rights to the municipality

Minister of economy and energy Petar Dimitrov welcomed the council's decision, saying it would help solving the problems in the company that was burdened with serious debts.

On the other hand, major of Sofia, Boiko Borisov, who clashed with minister over Sofia heating company several times, said the latest decision was bad and made under pressure. The decision was necessary in order to enable safe heat supply during winter. Borisov was recently in favor of increasing the government's stake in the company.

During the meeting with EU officials, Borisov asked from European Commission (EC) to help solving energy problems in capital.

According to latest news, minister Dimitrov proposed to Sofia mayor that state should transfer all of its shares in heating company to the municipality. Minister believes that the best option for the company is to have a single owner.

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## **Financial consultant for Bourgas- Alexandroupoulos project to be selected (Bulgaria)**

International project company in charge for construction of Bourgas- Alexandroupoulos oil pipeline should select financial consultant for the project on October 16-17. This was confirmed by Stefan Gunchev, the chair of the board of Trans Balkan Pipeline BV, and representative of Bulgaria in the project.

The future consultant will be selected among Societe Generale, Lazard, Citigroup and Caylon.

In September this year, Gunchev told to press that selection procedure could be delayed after Russian partners in the project wanted Societe Generale to become financial consultant without selection procedure. Bulgarian side opposed this proposal.

After financial consultant was picked, Trans Balkan Pipeline BV will start comprehensive financial analysis as well as feasibility study for the project.

The Bourgas- Alexandropoulos project is jointly developed by Russia (51 %), and Bulgaria and Greece (24.5 % stake each).

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### **Regulator dismissed quarterly electricity bills (Bulgaria)**

In a closed session in mid October, State Energy and Water Regulatory Commission (SEWRC) decided to ban quarterly electricity bills. Regulator said it would meet representatives of major electricity distributors E.ON, EVN and CEZ in order to inform them on the latest decision.

According to SEWRC, main reason for canceling quarterly bills was the lack of public trust, complaints of the customers and negative opinions in local media, despite the fact that such system is common practice in several EU countries. Officials from SEWRC said that quarterly billing would be certainly imposed in near future, but, in this moment, this model lacks public approval.

The quarterly billing was imposed by CEZ in May this year, while E.ON and EVN announced it would impose quarterly billing also. CEZ said that quarterly billing would reduce company's costs by 2 million euros per year.

Some Bulgarian officials warned that monthly billing could increase expenses and therefore final electricity prices.

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### **Upgrade of unit 3 and installation of FGD equipment in TPP Maritsa Iztok 2 completed (Bulgaria)**

Prime minister Sergey Stanishev marked the end of upgrade of unit 3 in the largest coal-fired thermal power plant (TPP) in Bulgaria, the TPP Maritsa Iztok 2. The output of the unit was increased from 150 MW up to 177 MW. In the same time, PM put in service flue gas desulphurization (FGD) units on units 1 and 2 in the TPP. Official ceremony took place in mid October.

FGD units, with 94 % efficiency, are aimed to bring TPP in accordance to EU environmental standards. TPP Maritsa Iztok 2 was one of the largest polluters in entire Europe.

The FDG equipment on units 3 and 4 should be installed in spring next year. Japanese company Mitsui, which completed the project for units 1 and 2, will carry out the installation works. The cost of installation of FDG units is some 230 million euros, where 187 million euros was provided by Japanese Bank for International Cooperation.

In the same time, installation of FGD equipment on units 5 and 6 will be carried out by Italian-Chinese consortium Idreco- In-sigma.

In the beginning of next year, unit 4 should be also put in service and upgraded up to 177 MW, by which overall output of TPP Maritsa Iztok 2 will be increased up to 1575 MW.

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### **IPO finished, MOL now controls 47.15 % stake in INA (Croatia)**

On October 3, initial public offering (IPO) for shares in Croatian oil industry (INA), published by Hungarian MOL was finished. Central depositary agency (SDA) confirmed that MOL managed to acquire some 2.215 million shares or some 22.15 % stake in INA. By this, MOL, who already owned 25 % stake, became the largest shareholder in INA with 47.15 % stake.

According to SDA, final deadline for payment of purchased shares was set on October 17. As a reminder, in the end of August, MOL offered 390 euros per share (2,800 HRK), so that overall payment will amount to 870 million euros. MOL offered to purchase 30.16 % stake, which was controlled by minority shareholders.

After IPO, the government of Croatia, with 44.83 % stake in INA, became the second largest shareholder.

Vice prime minister of Croatia, Damir Polancec announced that negotiations with MOL regarding the further privatization of INA would continue in mid October. The government explained that negotiations with MOL are necessary having in mind that special clause in privatization contract for INA, which envisaged veto rights of the government in case of sale of shares in INA, will expire in the end of October.

In addition, the privatization contracts needs to be redefined since the government's share in INA dropped below 50 % much before MOL launched the IPO. According to announcements, during the incoming negotiations with MOL, the government will demand prolongation of veto rights and preemptive rights in INA for another five years.

Before the IPO, both government and MOL announced an option for share swap. The negotiations regarding this issue should be started very soon. The share swap needs to be approved by Croatian parliament,

Head of MOL Group, Zsolt Hernadi believes that MOL had made great accomplishment by increasing its stake in INA up to 47.15 %. He confirmed that MOL was looking forward to new negotiations with the government regarding development of INA. Hernadi believes that IPO and great interest of shareholders were important step in strengthening strategic partnership between two companies. MOL had secured enough funds for completing the IPO, Hernadi confirmed.

CEO of MOL, Gyorgy Mosonyi, said to Reuters that the share swap would be the most favorable option for both MOL and INA. For MOL, share swap would result in savings of cash funds, and for Croatia, it would provide security in supply.

According to earlier announcements, the subject of share swap could be 19 % stake in INA controlled by the government. According to local laws, the state should keep at least 25 % stake in INA until Croatia becomes EU member.



Mosonyi also confirmed that MOL was ready to invest funds for modernization oil refineries in Rijeka and Sisak, where both projects should be completed by 2011.

Croatian Agency for Supervision of Financial Services (Hanfa) confirmed that potential share swap between INA and MOL would not require publishing the new offer for takeover of all shares in INA having in mind that MOL and the government acted jointly, as strategic partners, during latest IPO.

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### **Construction of 400kV power line Ernestinovo-Pecs started (Croatia)**

In the first week of October, prime minister of Croatia Ivo Sanader marked the official start of construction of double 400kV interconnection power line Ernestinovo (Croatia) - Pecs (Hungary).

According to head of Croatian power utility (HEP), Ivan Mravak, new power line should increase security in supply and stability of electricity networks of Croatia and Hungary.

HEP reminded that construction of the power line was agreed by the contract signed by HEP and Hungarian counterpart Mavir in July 2007. The final deadline for finishing the construction is the end of 2009, while the line should be put in service is March 2010.

The cost of construction of Croatian part of the power line, 44 km long, and enlargement of 400/110 kV substation in Ernestinovo should reach 22.5 million euros.

During the same occasion, prime minister Sanader announced that new national strategy of energy development should be published very soon, after which public debates will take place. Sanader also said that final decision regarding construction of nuclear power plant (NPP) was not reached yet, and that NPP would not be built until this was jointly decided.

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### **INA to move investments to Albania if not granted a storage license (Croatia)**

Croatian oil industry (INA) announced it would move part of its investments from Montenegro to neighboring Albania if the company was not granted a license for storage of oil and oil derivatives in Montenegro,

The management of INA said the company could build new storage facilities by itself or in cooperation with partners. The company said it has been (unsuccessfully) negotiating with government of Montenegro on this issue during past four years.

According to INA, annual gross income of INA in Montenegro is some 23 million euros, while this amount should be increased by 5 % this year.

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### **Possible tariffs change between PPC – Depa (Greece)**

According to sources, Greece electricity utility PPC and natural gas company Depa are close to an agreement for a revision of PPC procurement contract. Two companies will use a formula based on natural gas prices to calculate the tariffs charged to PPC. The two sides will also take into account the large volumes purchased, as PPC is by far the largest client of Depa accounting for over 60% of sales.

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### **Motor Oil and Mytilineos to cooperate in electricity production (Greece)**

Two large Greek companies, Motor Oil and Mytilineos group announced that they are in talks about cooperating in electricity production.

Motor Oil officials said in a stock filing that Endesa Hellas, a subsidiary of the Mytilineos Group and Spain Endesa, is mulling its entry into Korinthos Power, a Motor Oil subsidiary that has a permit for a combined-cycle production unit of 400 MW.

Mytilineos also confirmed that it is negotiating with Motor Oil, without giving further details, following reports that Endesa Hellas may acquire 75 percent of Korinthos Power.

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### **Government to consider forming of electricity market (Macedonia)**

Macedonian Government should soon decide should it form own electricity market, or should Macedonian market be part of regional electricity market. Macedonian delegation, formed from representatives of Ministry of Economy, ELEM, MEPSO and EVN visited Slovenian and Frankfurt electricity market.

On the last meeting of Macedonian Energy Assotiation, it was concluded that first solution, to form own electricity market, could be more profitable.

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### **17.6 % increase in natural gas prices (Macedonia)**

Regulatory commission has decided to increase natural gas price for 17.6%. New price will be 30.54 denars for cubic meters. Increase was justified by 11% increase of price from Gazprom and increase of dollar value.

Few days before, Makpetrol has asked for 14.5% increase in gas price. Before increase, price of natural gas was 25.95 denars per cubic meter, and it is regulated by oil price on world market. This increase could affect a price of district heating in Skopje, since "Toplifkacija" uses 70% of natural gas and 30% of heavy oil for its operation.

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### **New lignite fired TPP to be build near TPP Negotino (Macedonia)**

Macedonian government has announced its intentions to build lignite fired TPP near existing oil fired TPP Negotino. Currently, experts are examining possibilities around existing TPP, and feasibility study should be completed in the beginning of 2009. New TPP should have 300 MW output. The same examinations are being done in Mariovo region.

Government is also planning to modernize existing TPP Negotino. TPP will be used as cold reserve, and it might be altered from heavy oil to gas fired TPP.

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### **Macedonia to purchase electricity from NPP Belene (Macedonia)**

Macedonian government has revealed their intentions to purchase electricity from future Nuclear Power Plant Belene, in order to avoid future energy crisis. By the end of October, delegation from Macedonian Government, led by Vice Prime Minister Zoran Stavrevski will visit Bulgaria to discuss this topic. Government has not yet received official offer from Bulgaria, just unofficial calls from NPP Belene management to purchase electricity on time, in order to avoid future lack of energy. There is also a possibility for Macedonia to take part in overall investment.

Construction of NPP Belene will start in 2009, and German RWE has been selected as strategic partner, with 49% share. Entire investment needed is 4 billion euros. NPP is expected to be operational in 2015.

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### **EVN Macedonia in favor for discussion with government (Macedonia)**

Director of EVN Macedonia, Mr Georg Waldner said he hopes that disputes between EVN Macedonia and Government could be settled by discussion, rather than court decision. He added that 700 kilometers of new cables have been installed, 4 new power stations and large amount of other equipment and works in order to increase overall quality of electricity supply.

Macedonian government accuses EVN Macedonia that they have not entirely fulfilled an agreement signed by purchase of distribution company ESM, but EVN denies these claims. First problems occurred on new energy law, and later on, with levels of investment.

Macedonian Government has not made detailed revision of EVN Macedonia investment level, and it is looking for Revision Company to examine investments of EVN Macedonia in distribution network from 2006. EVN Macedonia claims that it have invested 67 million euros in distribution network in last two years.

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### **Tender for recapitalization of EPCG to be published in December (Montenegro)**

According to latest announcements from local press, tender for recapitalization of Power utility of Montenegro (EPCG) should be published in December, instead in November, as it was previously announced.

The main reason for temporary delay is the global financial crisis that could negatively affect interest of potential partners.

Officials from EPCG several times said that interest for privatization of EPCG was expressed by Statkraft, NTE, Electrabel, CEZ, Verbund and Enel. In the same time, minister of economic development Branimir Gvozdenovic announced that International finance corporation (IFC) expressed interested for purchase of 5 % of shares in EPCG. Negotiations regarding this issue are underway, minister said.

According to recent announcements, electricity trader EFT might be interested in privatization of EPCG as well as local businessman Veselin Barovic. On the other hand, Barovic's participation in the tender could be conflict of interest, having in mind that Barovic is the member of the board of directors of EPCG.

EPCG should issue 32.28 million of new shares with nominal worth of 8.7 euros, and obtained funds should be used for development projects. The state should remain in control of 55 % stake in the company, while strategic partner will control 22 % stake.

The future partner will be granted management rights in the company. The partner will be obliged to achieve 300 million euros worth investments in period of five years, as well as projected profit in the end of five-year period.

By the end of October, BoD of EPCG should approve official appraisal of the company. The appraisal has been conducted by Faculty of economics in Podgorica. According to official data from 2003, the worth of EPCG was close to 1 billion euros.

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## **Balkan Energy to build TPP if coal studies are favorable (Montenegro)**

Balkan Energy (BE), the owner of Berane coalmine, said it would build a thermal power plant (TPP) near the coalmine if the latest researches showed that coal reserves were at least 15 million tons. The optimal coal reserves for the project would be 30 million tons, officials from the company said.

CEO of the Berane coalmine, Predrag Drecun, confirmed that geological researches related to establishing the real coal reserves for potential TPP were underway and that it should last up to one year. BE believes that coal reserves in Berane are far more than 15 million tons, as it was established by old study made a year ago.

Balkan Energy, the subsidiary of Greek Retis Group, purchased Berane coalmine in a tender for 1.5 million euros in September last year. The company also acquired 20-year concession for coal production in Petnik pit mine. It was unclear whether BE acquired concessions for nearby pit mines Budimlje and Zagorje.

The new owner was obliged to invest 20 million euros in the coalmine and to invest 100 million euros for construction of 110 MW TPP, which should be built in period of four years. The company plans to employ some 500 new workers at the end of four-year investment cycle.

Commenting the latest speculations, ministry of economic development confirmed that BE did not acquire concession for coal production in Zagorje. The particular pit mine should be offered in concession very soon. Ministry explained that BE is entitled to extract coal only in Petnik pit mine.

This was disputed by the representatives of BE who believe they acquired concession rights in Zagorje too. Nevertheless, BE announced it would take part in the future tender for Zagorje (estimated reserves of 3.5 million tons).

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## **EPCG to launch tender for import of 1 TWh of electricity in 2009 (Montenegro)**

Chairman of the Board of directors of Power utility of Montenegro (EPCG) Srdjan Kovacevic confirmed that company should publish tender for import of almost 1 TWh of electricity in 2009. The requested amount should be some 100 GWh higher comparing to estimated import in this year. According to latest announcements, the tender should be published in mid October.

The main reasons for increase in import are capital overhaul in thermal power plant (TPP) Pljevlja (five and a half month standstill) and overhaul in hydropower plant (HPP) Perucica (two and a half month standstill).

According to projections, growth in electricity consumption should be between 4 and 5 %, so that electricity consumption in Montenegro should reach 4.8 TWh in 2009.

The largest electricity customer, Aluminum factory in Podgorica (KAP) should import by itself 1 TWh of electricity (EPCG will deliver to KAP another 900 GWh). The planned electricity production should reach 2.8 TWh. This amount includes import of 1.1 TWh of electricity based on long-term contract for lease of HPP Piva to Power utility of Serbia (EPS).

Kovacevic believes that EPCG could become profitable company already in 2010. By completing capital overhauls in power plants, EPCG will increase overall production by 450 GWh per year (TPP Pljevlja 300 GWh, HPP Perucica 100 GWh, and HPP Piva 22 GWh).

After 2010, EPCG will not be obliged to deliver electricity to KAP anymore, which should positively influence company's business results, Kovacevic believes. In 2009, EPCG should install 30,000 new electricity meters with remote reading. In this moment, there are some 5,000 of such meters, while overall number should reach 80,000, head of EPCG concluded.

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## **Public notice for construction of HPPs on Moraca River to be published soon (Montenegro)**

The public notice for construction of hydropower plants (HPPs) on Moraca River and a tender for detail spatial plans related to the project should be published in mid October.

This was confirmed by the government of Montenegro after adopting the official information regarding the project. According to plans, the prequalification tender for construction of HPPs should be published by the end of the year or in the beginning of the next year.

The construction of HPPs will include construction of multi-functional accumulation lakes on Moraca River.

Minister of economic development Branimir Gvozdenovic believes that some ten companies could be interested for the project. The latest government decision marked the official start of the project, the minister pointed out.

The government will establish Coordination team that will be in charge for the project, while the government's task will be preparation of legal and financial analyses, financial models and initial agreements with the future concessionaires.

According to analyses of International finance corporation (IFC), the cost of the project should reach 500 million euros.

The project for construction of HPPs on Moraca River is the part of national energy strategy and includes construction of HPP Andrijevo (127 MW), Raslovici (37 MW), Milunovici (37 MW), and Zlatica (37 MW), where their overall production should reach 700 GWh per year.

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## **Dalekovod won contract for renewal of transmission network (Montenegro)**

Consortium of Croatian Dalekovod and Siemens Austria won in the international tender a contract for upgrade of transmission network in Montenegro. The project includes enlargement of 400/110kV substation in Ribarevine and 110kV substation Podgorica 3, construction of 110kV substation Podgorica 5, and construction of 110kV power cable and 110kV overhead power line.

The owner of the contract is Power utility of Montenegro (EPCG) and the contract will be funded by the loan of KfW Bank. The worth of the contract is 13.5 million euros.

Siemens will deliver energy transformer, primary switching equipment and secondary equipment. In the same time, Dalekovod will install and put in service Siemens's equipment and deliver and install 110kV cable and power line.

According to the deadlines, the substation in Ribarevine should be completed in 26 months, substation Podgorica 5 and 110kV overhead line should be completed in 12 months, while 110kV power cable should be put in service in 23 months.

In the related news, EPCG confirmed that installation of OPGW cables on 1,200km long transmission network was going in accordance to plans. The works on interconnection 400kV power line Podgorica (Montenegro)-Trebinje (BiH) were completed, while works on internal 400kV power line Podgorica-Ribarevine should be completed in October.

The project for construction of new IT system of EPCG started in beginning of August. During the first phase, OPGW cables have been installed on 400kV power lines, while during the second phase, the optical fibers will be installed on 110kV and 220kV power lines. The installation works have been conducted by Elnos BL (Bosnia and Herzegovina).

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## **Record production of TPP Pljevlja (Montenegro)**

Power utility of Montenegro (EPCG) confirmed that thermal power plant (TPP) Pljevlja had produced 915 GWh of electricity in the first nine months, which was highest ever production and 10 % higher than planned.

TPP provided 50 % of overall production of EPCG in the above-mentioned period. Highest monthly production of TPP Pljevlja was reported in January (135 GWh), while highest daily production was reported on September 29 (5 GWh).

In the second half of October, the TPP will undergo 10-day regular maintenance before the winter season.

EPCG said that increased production was the consequence of investments in the recent past. In the next year, electro filters should be replaced, which will reduce the emission of harmful gasses.

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## **EPCG and Terna signed 600 million euros contract for electricity interconnection projects (Montenegro)**

In mid October in Rome, Power utility of Montenegro (EPCG) and Italian transmission system operator Terna signed the Contract for development of electricity interconnection links between two countries. The contract was signed by general manager of Terna, Flavio Cattaneo and CEO of EPCG Ranko Vojinovic.

The worth of the contract is 600 million euros and it refers to joint development of electricity transmission facilities under-sea and onshore.

The final investment program should be completed by the end of the year. It was also announced that work team for development of electricity interconnection links between Montenegro and Bosnia and Herzegovina (BiH) should be established also. The particular electricity network will support optimal and stable operation and efficiency of submarine power cable between Montenegro and Italy, officials from EPCG said.

According to study completed in May last year, power cable between Italy and Montenegro will be 450 km long, where 375 km will be built undersea. The capacity of the cable will be 1,000 MW, where the cost of the project is estimated at 600 million euros.

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## **CEE Engineering to make conceptual design and pre-feasibility study for unit 2 in TPP Pljevlja (Montenegro)**

The consortium of Slovenian companies led by CEE Engineering and Power utility of Montenegro (EPCG) have signed a contract for Conceptual design and Pre-feasibility study for construction of unit 2 in thermal power plant (TPP) Pljevlja.

The contract includes analyses of energy and raw material potential, study for connection of new unit to national electricity system, and preparing the environmental impact study.

The Slovenian companies won the contract in the international tender published in May this year. According to previous announcements, the cost of the studies is estimated at 345,000 euros, while the deadline for preparing the project documentation is 7 months.

The unit 2 in TPP Pljevlja should have output of 225 MW, and the cost of the project is estimated at 175 million euros.

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## **Unicredit Zagreb Bank signed contract for privatization advisor of EPCG (Montenegro)**

In mid October, tender commission for recapitalization of Power utility of Montenegro (EPCG) and Unicredit Zagreb



Bank signed a contract for financial and legal advisor in process of recapitalization of EPCG.

The Croatian bank Unicredit markets & investments banking-Zagreb Bank won the contract in the international tender by outbidding ABN AMRO Corporate Finance Limited, Czech Erste Corporate Finance, Austrian EPIC, Raiffeisen, ING Bank from London and Securities NV from Belgium.

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### **Government approved establishment of national energy company (Romania)**

The government of Romania decided to establish national energy company by adopting the emergency decree. New company will be called Electrica and it will have 10,000 MW of electricity output or some 50 % of overall electricity production capacities in the country.

According to the decree, Authority for State Assets Recovery (AVAS) will takeover from ministry of economy and finance some 362 million shares in electricity distributor Electrica (worth 2.62 euros each). After this was completed, the AVAS will transfer state owned capital in electricity producer Hidro-electrica and in Energy complexes (EC) Rovinari and Turceni to Electrica, while, in return, Electrica will issue new shares that will be controlled by AVAS.

New energy company will have market capitalization of some 20-24 billion euros, where estimated annual profit in 2012 should reach 800 million euros.

Prime minister Calin Popescu Tariceanu believes that establishment of new company was necessary having in mind that Romania's energy system is too fragmented in this moment, unable to compete with energy companies in Europe and unable to meet EU ecological standards.

New company should led to increase of electricity trade in free market and it should become second largest company in the country (after oil company Petrom) and one of 25 largest companies in Central and Eastern Europe, prime minister said. The company should be listed on stock exchange, but the exact date was not set.

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### **Report on energy resources in the first eight months of 2008 (Romania)**

According to National Institute of Statistics (INS), primary energy resources in the first six months reached 27.417 million tons of oil equivalent (toe), which was 0.5 % higher comparing to same period last year. The domestic production reached 16.298 million toe (+2.5 %), while import of primary energy resources reached 11.119 million toe (-2.2 %).

The coal resources amounted to 5.870 million toe (-11.2 %), where domestic production reached 4.338 million toe (-3.0 %) and import reached 1.531 million toe (-29.4%).

Oil resources amounted to 8.396 million toe (-1.7 %), where domestic production reached 2.955 million toe (-8.0 %) and import reached 5.441 million toe (+2.1%).

Natural gas resources amounted to 9.038 million toe (-1.0%), where domestic production reached 6.160 million toe (-2.3 %) and import reached 2.877 million toe (+3.4%).

Electrical energy resources reached 43.894 TWh, which was 3.266 TWh or 8.0 % higher comparing to the same period last year. The domestic electricity production was increased by 3.668 TWh (+9.3 %).

The production in thermal power plants (TPP) was reduced by 2.018 TWh (-7.9 %). In the same time, the production in hydro-power plants (HPPs) was increased by 2.682 TWh (+26.5 %), while production in nuclear power plant (NPP) Cernavoda was increased by 3.004 TWh (+73.1 %).

The domestic electricity production amounted to 98.7 % of overall electricity resources, while electricity import amounted to 1.3 % of overall electricity resources. The production in thermal power plants amounted to 54.1 % of overall electricity production, production in hydropower plants amounted to 29.5 %, while production in nuclear power plants amounted to 16.4 % of overall electricity production.

Overall electricity consumption amounted to 35.326 TWh (+4.0 %), where 64.1 % was spent by industry and 15.3 % by households. In the same period, electricity export increased by 1.529 TWh (+72.5 %).

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### **Government started study for new nuclear power plant (Romania)**

Ministry of economy and finances confirmed it has started study for selection of construction site for new nuclear power plant (NPP). This was confirmed by head of energy policy department in the ministry, Alexandru Sandulescu.

Sandulescu also confirmed that ministry approved privatization of small hydropower plants (HPPs) owned by Hidroelectrica. Hidroelectrica should also privatize some medium HPPs and it should continue 22 projects for construction of new HPPs in cooperation with strategic investors.

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## **Energy Holding, Alro Slatina and Electrica three largest electricity suppliers on the free market in H1 (Romania)**

According to official data published Romania's Energy Regulatory Authority (ANRE), aluminum factory Alro Slatina, electricity trader Energy Holding and electricity distributor Electrica were the leading electricity suppliers in the free market in the first half of the year.

Alro Slatina had 17 % share, Energy Holding had 11 % share, while Electrica had 10 % share in the free market. Other leading electricity suppliers were Petprod (6 %), Buzmann Industries (5 %), Energy complex Craiova (5 %), Traderii Elcomex, Euro – PEC and Electromagnetica (4 % each), Enel Energy (3 %) and EGL Gas & Power (3 %). Overall consumption in competitive market reached 11.4 TWh.

The largest electricity suppliers in regulated market were Enel's Electrica Muntenia Sud (19 % share), Enel Energie (18 %), Transilvania Sud (14 %), Muntenia Nord (13 %), CEZ Vanzare (13 %), E.ON Moldova (12 %), Transilvania Nord (11 %). Overall consumption in regulated market reached 11.8 TWh.

In the first half of 2008, Hidroelectrica produced 32 % of total electricity in the country, while nuclear power plant (NPP) Cernavoda produced 16 % of overall electricity. Energy complex (EC) in Turceni delivered 11 % of overall electricity, while EC Rovinari produced 9 % of overall electricity. The rest of leading electricity producers were EC Craiova (8 %), Electrocentrale Bucharest (7 %), Electrocentrale Deva (6 %) and Termoelectrica (2 %).

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## **Eneria, Viarom and Energobit partners of CEZ in wind power project in Dobrogea (Romania)**

Czech CEZ had selected companies Eneria, Viarom and Energobit as partners in 1.1 billion euros worth wind power project in Dobrogea. French company Eneria will be in charge for the management of the project, Viarom, the part of Eurovia France, will be in charge for construction works, while electrical works will be conducted by Energobit.

The abovementioned companies, selected after detailed selection procedure, will take part in construction of the largest continental wind farm in Europe, CEZ pointed out. The new wind farm will be twice the size of the current largest onshore wind farm in Europe.

In this moment, overall output in wind farms in Romania is some 7 MW.

The future wind farm will be located north of the port of Constanta, near cities Fantanele and Cogeaalac, some 20 km from the Black Sea.

The project will be carried out in several phases. During the first phase, 139 turbines with overall power output of 347.5 MW should be installed by the end of 2009. During the second phase, another 101 turbines with overall output of 252.5 MW should be operational by the end of 2010. The turbines for the

first phase of the wind farm will be delivered by General Electric (GE), which earlier signed contract with former owner of the project, the CWP.

In August this year, CEZ purchased the wind power project from Continental Wind Partners (CWP). According to unofficial information, CEZ would pay some 300 million euros to CWP for the project rights. The contract, which financial details were kept confidential, envisages that final price will be adjusted in accordance to viability of the project.

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## **KazMunaiGaz paid 1.6 billion dollars for 75 % stake in Rompetrol, the amount lower than original estimations (Romania)**

According to the annual report published by Kazakh oil company KazMunaiGaz (KMG), the company paid 1.6 billion dollars for 75 % stake in oil company Rompetrol, previously owned by businessman Dinu Patriciu.

The amount is lower comparing to reports from August last year, when transaction took place. At the time, media reported that Dinu Patriciu sold 75 % of shares in Netherlands-based The Rompetrol Group NV (TRG) to KMG for 2.7 billion dollars.

Spokesperson of KMG Ilya Pustogachev confirmed in a press conference that the sale price published in annual report was correct.

In 2007, financial details of the sale contract were not revealed, but the market worth of the company had been estimated at 3.6 billion euros at the time. Both Patriciu and KMG did not deny sale price of 2.7 billion dollars said by several sources at the time.

KMG also announced it has been reconsidering to restructure Rompetrol and to sell non-core parts of the company. Officials of Kazakh company confirmed that KMG still did not decide whether to exercise preemptive rights for purchase of remaining 25 % stake in Rompetrol, currently owned by Dinu Patriciu.

Patriciu, who remained a CEO of Rompetrol, said recently that he would continue to be CEO in the next two years and that he would not sell its shares in Rompetrol during that time.

Rompetrol Group has been active in 13 countries, where its main activities are in Romania, France and Southeastern Europe. The company operates two refineries, the Petromidia and Vega.

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## **Petrom signed 375 million euros loan contract (Romania)**

The largest company in Romania, oil and gas company Petrom, the part of Austrian OMV, has signed 375 million euros loan contract, with three-year maturity.

This was one of the largest ever loans granted to company in Romania, and it will be provided by five banks that have good relations with OMV and Petrom: UniCredit Bank Austria AG, Credit Agricole Luxembourg S.A., Erste Group Bank AG, Raiffeisen Zentralbank Österreich AG and Societe Generale Bank&Trust (SGBT). The loan could be used in euros, lei and dollars.

Petrom will use the loan to finance investments in the incoming period. The management pointed out that company is still in process of modernization and restructuring, which requires high level of investments.

The company plans to invest 1.5 billion euros per year in period 2008-2010. CEO of Petrom, Mariana Gheorghe said that investments in the last three and half years reached 3.4 billion euros.

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### **Negotiations with Gazprom continue, government to offer Petrochemical factory to Russians (Serbia)**

Vice prime minister and minister of economy, Mladjan Dinkic confirmed that negotiations with Russian Gazprom, i.e. its subsidiary Gazpromneft continue. In the beginning of October, the main subject was worth of shares in Oil industry of Serbia (NIS) that will be given to employees and citizens to Serbia. The shares will be given free of charge in accordance to privatization law of NIS.

The final contract with Gazpromneft will be signed by the end of year, Dinkic said in a press conference. Dinkic also said that NIS's shares would be listed on Belgrade Stock Exchange six months after signing the final privatization contract with Gazpromneft.

According to several local media, which quoted unofficial sources, the government of Serbia agreed on paying 400 million euros for 51 % stake in NIS, but it would demand from Russian partners to pay 440 million euros for 4.4 % stake owned by employees and 15 % of shares that will be given to adult citizens. The worth of these shares was calculated in accordance to appraisal recently performed by Deloitte. According to appraisal, the market worth of NIS is 2.2 billion euros.

In the same time, government plans to offer to Russians Petrochemical factory in Pancevo for 200 million euros. Finally, the government will demand from Gazprom Bank to provide 500 million euros of favorable loans for infrastructure projects in Serbia, sources said.

Some local analysts believe that Serbia's expectations are unrealistic, and that Russians will not be interested in purchasing Petrochemical factory having in mind that NIS already owns 33 % stake in it.

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### **Government started procedure for privatization of electricity distributor (Serbia, Kosovo)**

In the beginning of October, government of Kosovo adopted decision regarding the start of privatization of distribution branch within Kosovo energy corporation (KEK).

According to plans, at first, independent company in charge for electricity distribution and supply will be established. Ministry of economy and finances and ministry of energy and mining believe that such restructuring will improve electricity supply in Kosovo.

After the latest decision, KEK will be restructured into mining, production, distribution, billing and collection divisions.

Explaining the latest decision of the government, minister of economy and finance Ahmet Shala admitted that some 1.2 billion euros was invested in KEK in the recent past, but this failed to prevent power cuts in Kosovo.

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### **Energy minister: Tenders for new thermal power plants by the end of the year (Serbia)**

Minister of energy and mining Petar Skundric believes that tenders for strategic partners in the projects for construction of thermal power plant (TPP) Kolubara B (700 MW) and unit 3 in TPP Nikola Tesla B could be published by the end of the year. This will happen if government approves financial models for financing those projects, Skundric said.

Minister reminded that investments in TPP Kolubara B should reach 900 million euros, while cost of the project in TPP Nikola Tesla B should amount to 750-850 million euros.

The publishing of the tenders has been delayed from 2006, although Power utility of Serbia (EPS) had prepared necessary documentation, Skundric pointed out.

Skundric confirmed he discussed this subject during the recent meeting with Russian minister of emergency situations Sergey Shoigu. Shoigu confirmed that Russian companies are interested in energy sector in Serbia.

As a reminder, Russian company Inter RAO EES and EPS signed protocol on cooperation in April this year. Russians have later visited construction sites of TPP Kolubara B and unit 3 in TPP Nikola Tesla B. According to sources, Russian company has demanded from EPS to become partner in those projects without tender procedure, which was not accepted by EPS.

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## Study for joint projects of EPS and ERS by the end of the year (Serbia & Bosnia and Herzegovina)

Minister of economy, energy and development of Republic of Srpska (RS) Slobodan Puhalic said that study on the joint projects of Power utility of RS (ERS) and Power utility of Serbia (EPS) should be completed by the end of the year.

Minister said this after the meeting with Serbian minister of energy and mining Petar Skundric. The meeting took place in Banja Luka in mid October.

Minister Skundric said the meeting was important introduction for integration of energy systems (especially electricity systems) of RS and Serbia. He also confirmed that two parties discussed options for cooperation in natural gas, oil and electricity sector.

The main topic in electricity sector was construction of hydro-power plants on Drina River. Minister Skundric expects that project company for this project should be established by the end of the year.

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## 60 % increase in natural gas prices (Serbia)

Government of Serbia approved 60 % increase in natural gas prices for the households starting from mid October. New price for households will be 420 euros/1,000 cubic meters.

In the same time, natural gas prices for heating plants will be increased up to 389 euros/1,000 cbm (+37 %). Officials from Serbian natural gas company Srbijagas confirmed that price of natural gas for other distributors will be increased up to 359 euros/1,000 cbm.

According to management of Srbijagas, old prices have been calculated at the time when import prices stood at 185 euros/1,000 cbm, while this price is doubled now.

The main reasons for increase in prices are increase in price of energy sources, increase in transport costs over Hungary and currency effects. Srbijagas said that old prices for households and heating plants were lower comparing to old import prices.

According to the data of Srbijagas, households account for 10 % of overall natural gas consumption in Serbia, heating plants account for 33 %, while other customers connected to transmission network account for 55 %. Average annual natural gas consumption per household is 1,200 cbm.

In 2007, overall natural gas consumption in Serbia reached 2.4 billion cbm, where 2.2 billion cbm was imported.

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## Tenders:

### Electricity

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

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

Company / organization:	<b>EBRD, related Bulgaria</b>
<b>Sofia District Heating Rehabilitation</b>	
Content:	<p>The Kozloduy International Decommissioning Support Fund (KIDSF), administered by the European Bank for Reconstruction and Development (EBRD), was established in 2001 for the support of the decommissioning of Units 1-4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in various Bulgarian industry sectors consequential to final shutdown of Units 1 - 4 of the Kozloduy Nuclear Power Plant.</p> <p>Toplofikacia Sofia AD, the joint stock district heating company serving the city of Sofia is carrying out the rehabilitation of the centralized district heating system in the city. The District Heating Rehabilitation Project comprises modernization of district heating substations, replacement of pipelines, compensators, thermal insulation of over-ground pipelines, conversion to variable flow of the Sofia district heating network.</p> <p>Toplofikacia Sofia AD intends to us grant funds of the Kozloduy International Decommissioning Support Fund (KIDSF) and own financial sources for delivery, installation, testing and commissioning of individual heating substations units for space heating and domestic hot water including heat exchangers, circulation pumps, control valves and automation devices. The budget for the project, subject of this GPN is about €2.5 million.</p>
Deadline:	13 Mar 2009 at 00:00, Sofia time
Contact:	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:	<b>EBRD, related Bulgaria</b>
<b>Enemona CNG project - General</b>	
Content:	<p>The project announced within this procurement notice will be financed from the Kozloduy International Decommissioning Support Fund, established in 2001 for supporting the decommissioning of units 1- 4 of the Kozloduy Nuclear Power Plant. One of the purposes of this Fund is to finance or co-finance the preparation and implementation of selected projects that aim the necessary restructuring, upgrading and modernisation in the energy sector and improving energy efficiency.</p> <p>This General Procurement Notice draws attention to the forthcoming tender for Supply and installation of equipment for five Compressed Natural Gas vehicles in Bulgaria. The purpose is the development of a natural gas supply system in towns Svilengrad and Kardjali in South-East Bulgaria.</p> <p>The project includes:</p> <ul style="list-style-type: none"> <li>• Design, supply and installation of 5 vehicles for transportation of the natural gas from the compressed natural gas terminal on the high pressure distribution network to the terminals in the low pressure consumer distribution system.</li> </ul> <p>Budget for the project: €650,000.</p>
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
<b>Rehab and Extension of Power Transmission Network LOT 1,2,3</b>	
Content:	<p>The National Electric Company – NEK-EAD (the “Employer”) intends using the proceeds of the grant funds provided by the “Kozloduy International De-commissioning Support Fund” (the “KIDSF”), administered by the European Bank for Reconstruction and Development (the “Bank”) and of its own financial sources towards the cost of the “Rehabilitation and Extension of the Power Transmission Network Project - substations Tzarevetz, Burgas, Metalurgichna”.</p> <p>The project, which has a total estimated cost of EUR 14.6 million, includes the implementation of the following three projects:</p> <p>(i) Project „Rehabilitation and extension of s/s Tzarevetz 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(ii) Project „Rehabilitation and extension of s/s Burgas 400/110/31,5 kV” Procurement of equipment for the replacement and the extension of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>(iii) Project „Rehabilitation of s/s Metalurgichna 400/110/31,5 kV” Procurement of equipment for the replacement of the 400 kV switchyard (400/110/31,5 kV equipment, shunt reactors, relay protections, control system); design works, procurement of materials, installation and erection works (foundations, steel structures, roads, cable channels, fences, commissioning and training).</p> <p>The Contracts in reference shall be awarded in compliance with the EBRD Procurement Policies and Rules and will be open to firms that qualify under the Rules of the KIDS Fund: The eligible countries as at 1 November 2007 are: EU member states, Switzerland, all so-called PHARE countries and the EBRD’s Countries of Operations.</p>
Deadline:	13 Nov 2008 at 00:00, Sofia time
Contact:	<p>Mrs. Ludmila Vitanova Head of Investment Department Natsionalna Elektricheska Kompania 5, “Vesletz” str., 1040 Sofia BULGARIA Tel.: +359 2 9263 552 Fax: +359 2 986 12 88 E-mail: lvitanova@nek.bg</p>

## Oil and Gas

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