

PUBLIC ENTERPRISE ELECTRIC POWER INDUSTRY OF SERBIA, BELGRADE

Carice Milice 2

Number: 2392/58-14

Belgrade,

13 -11- 2014

**Subject: additional clarifications no. 40** in accordance with Article 63 paragraph 3 of Public Procurement Law ("Official Gazette of the Republic of Serbia" number 124/12) in public procurement procedure **PP number 61/14/DEFP**, for which Invitation to Tender was published on Public Procurement Portal on **10.10.2014**.

Five and more days prior to expiry date foreseen for submission of tenders in subject public procurement procedure, interested party has submitted to the Employer via e-mail request for additional information, i.e. clarifications, regarding which the Employer, i.e. Public Procurement Committee, in accordance with provision of Article 54 paragraph 12 item 1) of the Law shall provide the following information i.e. clarifications within three days from the day of the receipt of the request:

**Potential Tenderer asked QUESTION No. 40.1:**

"What amount of dividend (share) shall go to the state in 2014? Is this amount calculated by using consolidated profit or by using individual profit? Do all companies within EPS (that made profit) or only the parent company have this obligation?"

ANSWER of the Employer to QUESTION No. 40.1 is:

"Law on Budget for 2014 prescribes that public companies whose founder is the Republic of Serbia shall pay part of the profit (at least 50%) into the budget. Decision on distribution of profit is adopted by Supervisory Board of public enterprise with the consent of the founder in accordance with the Law on Public Enterprises. The law refers to public enterprises i.e. only to PE EPS but not to the subsidiaries."

**Potential Tenderer asked QUESTION No. 40.2:**

"What is the average use of generation capacities?"

ANSWER of the Employer to QUESTION No. 40.2 is:

„Ks –use coefficient of thermal capacities for the period January – September 2014

	1	2	3	4	5	6	7	8	9
2014	85,9	89,4	80,8	69,1	38,4	36,2	44,7	41,8	42,6

Ks – use coefficient of hydro capacities for the period January – September 2014"

	1	2	3	4	5	6	7	8	9
2014	36,4	41,3	42,9	47,5	59,2	49,3	34,8	41,6	46,7

**Potential Tenderer asked QUESTION No. 40.3:**

"What amount of electricity was sold in the past three years?"

ANSWER of the Employer to QUESTION No. 40.3 is:

"At the open wholesale electricity market PE EPS sold electricity in the amount of:

2011: 763,7 GWh  
2012: 251,4 GWh  
2013: 3.305,55 GWh

Total sale of PE EPS:  
2011: 37.986 GWh  
2012: 36.613 GWh  
2013: 40.352 GWh”

**Potential Tenderer asked QUESTION No. 40.4:**

“What are short term financial liabilities in the amount of 7,312,569 thousand RSD on 31/12/2013?”

ANSWER of the Employer to QUESTION No. 40.4 is:

“Based on the Interstate Agreement dated April 27, 2007, between the Government of Russian Federation and the Government of the Republic of Serbia on regulating liabilities of former USSR for calculations related to goods transactions between former USSR and former SFRY and Protocol between Ministry of Finance and Ministry of Mining and Energy of RS and Ministry of Finance and Ministry of Economic Development and Trading of Russian Federation on manner of settlement of debt the liability for executed payments in the amount of RSD 7,308,932 thousands was accepted for delivered goods and services, and by Amendment number 8 to the Agreement number 05030856/030135 – 0275 dated March 29, 2003 between PE EPS, Company Đerdap and OAO Silovije Mašini for rehabilitation of hydro unit ‘Đerdap I’.”

**Potential Tenderer asked QUESTION No. 40.5:**

“What are the quantities that were generated in the first 6 months of 2014 (hydro power plants and thermal power plants)?”

ANSWER of the Employer to QUESTION No. 40.5 is:

“Total generation of PE EPS for the first six months of 2014 was 17,291.5 GWh.”

**Potential Tenderer asked QUESTION No. 40.6:**

“What receivables does EPS write off at the single level? Write offs are very high, does anything refer to EPS Supply or just to the third parties?”

ANSWER of the Employer to QUESTION No. 40.6 is:

“Please refer to the answer to the question no. 29.12 published on 05.11.2014.”

**Potential Tenderer asked QUESTION No. 40.7:**

“What is the reason for high impairment of assets in 2012?”

ANSWER of the Employer to QUESTION No. 40.7 is:

“Please refer to the answer to the question no. 38.10 published on 10.11.2014.”

**Potential Tenderer asked QUESTION No. 40.8:**

“What is the share of the state in remuneration?”

ANSWER of the Employer to QUESTION No. 40.8 is:

“We expect PE EPS to be the user of the part of the proceeds of the loan of International Bank for Reconstruction and Development foreseen for the Floods Emergency Recovery Project (amount of the loan is EUR 227.5 million, and part for PE EPS around EUR 157.1 million).“



**Potential Tenderer asked QUESTION No. 40.9:**

“Sum of operational costs for 2015 was not done correctly, (sum of items is 217 761 562, while the presented sum is 221.205.090). Please comment.”

ANSWER of the Employer to QUESTION No. 40.9 is:

“Total operational costs in 2015 amount to RSD 221,205,090 thousands, data about other business operation expenses which are estimated to be RSD 22,347,793 thousands in 2015 were incorrect.”

**Potential Tenderer asked QUESTION No. 40.10:**

“Corporate income tax is not included in the projected Profit and Loss Statement. Please comment.”

ANSWER of the Employer to QUESTION No. 40.10 is:

“Corporate income tax was not shown in Profit and Loss Statements, but it is shown in balance of cash flow.”

**Potential Tenderer asked QUESTION No. 40.11:**

“In 2015 and 2016 the increase of electricity price by 15% is expected, but the projected increase of sale is by 10 and 11%, respectively. Does the difference refer to expected loss of some market share or something else?”

ANSWER of the Employer to QUESTION No. 40.11 is:

“Price increase refers only to the part of revenue from electricity sale, i.e. for the sale to customers entitled to public supply, that price is regulated and price increase is foreseen from 01.04. – it does not refer to the entire year.”

**Potential Tenderer asked QUESTION No. 40.12:**

“What assumptions were used during preparation of long-term loan? The growth of long-term loan is expected even though only repayments are projected but not new loan after 2015?”

ANSWER of the Employer to QUESTION No. 40.12 is:

“Cash flow represents only own funds for investments, part of the funds for investments is from the loan and that resulted in the increase of growth of long term loan (the use of loans that were contracted previously is also projected and are being used for several years in accordance with the dynamics of project implementation.)”

**Potential Tenderer asked QUESTION No. 40.13:**

“Do the projected repayments also include new loans (that you projected for this and following years)?”

ANSWER of the Employer to QUESTION No. 40.13 is:

“Yes.”

**Potential Tenderer asked QUESTION No. 40.14:**

„Can you please send us the overview of the existing loans at the level of the group, with repayments in the following four years minimum?”

ANSWER of the Employer to QUESTION No. 40.14 is:

“Please see attachment to answer no. 36.6 to the question of potential tenderer: AMENDMENT Review of financial liabilities at the consolidated level on 30.06.2014 (published on 07.11.2014 at PP Portal and EPS webpage).”

**Potential Tenderer asked QUESTION No. 40.15:**

„What does the item Monthly balance of payment of current and old liabilities in the projections of cash flow?“

ANSWER of the Employer to QUESTION No. 40.15 is:

“III – IV – V (balance of current inflows and payment – settlement of due liabilities from the previous period – repayment of loans and credits).”

**Potential Tenderer asked QUESTION No. 40.16:**

„What is the plan of capital investments in the following 4 years?“

ANSWER of the Employer to QUESTION No. 40.16 is:

“Please look at the answer no. 13.4.3 published on 27.10.2014.”

**Potential Tenderer asked QUESTION No. 40.17:**

„Where in CF projections (as outflows) the use of loan proceeds for remuneration of flood damage can be seen?“

ANSWER of the Employer to QUESTION No. 40.17 is:

“Within maintenance, other operating expenses, materials and fuels.”

**Potential Tenderer asked QUESTION No. 40.18:**

„What is the purpose of the new loan projected for 2015?“

ANSWER of the Employer to QUESTION No. 40.18 is:

“Please look at the answer no 37.1 published on 10.11.2014.

In article 2.1 and 5.3 of the Tender Documents it is stated that the purpose of the proceeds of the subject loan is the provision of funds necessary for urgent, prompt, planned and organized initiation of elimination of flood consequences, preparation for the forthcoming winter period 2014/15, when the increased consumption is expected and potential increase of electricity purchase, and for ensuring safe and efficient business operation of EPS group, regular electricity supply of industry and citizens in the following period.

The purpose of the funds is support of EPS system’s liquidity in the stated period, in regards to the aforementioned circumstances.”

**These additional clarifications are submitted by email to the applicant and are published on Public Procurement Portal and web site of the Employer.**



Attn:

- Records Management Office
- Procurement Committee