



PUBLIC ENTERPRISE ELECTRIC POWER INDUSTRY OF SERBIA, BELGRADE

Carice Milice 2

Number: 2392 / 30-14

Belgrade, 27-10-2014

**Subject: additional clarifications no. 12** 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. 12.1:**

„What is the extent of recovery from damages that were caused by floods in power plants Nikola Tesla, Kostolac? What is the amount and what are the sources from which it was invested so far and what is the amount left for investment as well as the time needed for recovery? Which EPS generation capacities are available at the moment? What are the assumptions regarding purchase price in case of electricity import and state what are the assumptions on which they are based?”

ANSWER of the Employer to QUESTION No. 12.1 is:

„The price on the level of market prices in the countries of the region that have organized electricity market (power exchange) increased by price of cross border capacity and trading margin is expected. Assumption is based on overview of electric energy situation in the country and the region and fluctuation of electricity futures and forwards at power exchanges and brokers platforms.”

**Potential Tenderer asked QUESTION No. 12.2:**

“What are the effects on operation of the company after full liberalization of trading and distribution of electricity in 2015? What is the estimated number of reduction of customers and what effect shall it have on sold GWh? What is the additional time for application of regulated prices? ”

ANSWER of the Employer to QUESTION No. 12.2 is:

„Electricity market shall be liberalized as of 2015 (apart from category of public supply) and transmission and distribution of electricity remain regulated activity. Relatively small. Higher income is expected – increase in electricity prices under which sale shall be performed. Until change in legislation”

**Potential Tenderer asked QUESTION No. 12.3:**

“Has EPS reorganization plan been adopted by the government (it was foreseen to be adopted by the end of October this year)? What will be the business model (role of PE Electric Power Industry of Serbia in the system of affiliated entities) and positioning of EPS at the market (main competitors and their influence)?”

ANSWER of the Employer to QUESTION No. 12.3 is:

„Dominant position of EPS at electricity market is expected. EPS currently covers 98% of total electricity consumption in the Republic of Serbia.”

**Potential Tenderer asked QUESTION No. 12.4:**

“ Has the World Bank already approved the loan of EUR 200 million for flood recovery? What is the maturity, start of repayment and repayment dynamics of the loan? Does this arrangement foresee sovereign guarantee of the Republic of Serbia or the Republic of Serbia is the direct Borrower?”

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ANSWER of the Employer to QUESTION No. 12.4 is:

Loan Agreement between the Republic of Serbia and International Bank for Reconstruction and Development has been signed but it has not been ratified by the National Assembly of the Republic of Serbia yet.

After ratification Sub Loan Agreement between the government of the Republic of Serbian and PE EPS shall be signed. That is why loan conditions are not submitted to external users."

**Potential Tenderer asked QUESTION No. 12.5:**

"It is necessary to ask for approval for submission and obtaining of data from Credit Bureau?"

ANSWER of the Employer to QUESTION No. 12.5 is:

„The requested approval has been submitted to the Tender."

**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