



Bulgaria's government has authorized Delyan Dobrev, Minister of Economy, Energy, and Tourism, to grant permission to Bulgarian Energy Holding EAD to adopt a final investment decision on the South Stream gas pipeline project on Bulgarian territory.

The condition for the adoption and the signing of a final investment decision on South Stream is the signing of a gas supply contract for 2013 between Bulgaria's Bulgargaz EAD and Russia's Gazprom Export whose key points satisfy the Bulgarian state-owned gas supplier.

Earlier Wednesday it was announced that the Bulgarian Energy Holding would sign the contract with Gazprom on Friday.

The parameters of the final investment decision were discussed at Wednesday's Cabinet meeting.

The pipeline project includes a 540-km long main pipe with a divergent 59km section to Provadia, three compressor stations with the corresponding loops to the main pipe, with a technical capacity of a total of 63 billion cubic meters of gas per year.

The total indicative construction cost of the project is EUR 3.308 B but the estimation is yet to be revised and updated as the designing and the environmental impact assessment procedures progress.

The project is estimated to have a payback period of up to 15 years after the start of the commercial exploitation of the gas pipeline on Bulgarian territory.

A few days ago, right-wing party Democrats for Strong Bulgaria accused Prime Minister Borisov of conducting secret negotiations with Russia over the South Stream project.

However, Dian Chervenkondev, Deputy Chair of the Parliamentary Energy Committee and MP of center-right ruling party GERB, insisted that the activities surrounding the agreement on the project were transparent and all steps had been coordinated between all project participants, including the European Commission.

*Source Novinite*