

Electric Power Industry of Montenegro should finish this year with a positive result of about 25 MEUR, according to the president of the Board of Directors of the company, Srdjan Kovacevic. He said he expects a lot of challenges in the coming year, given the fact that hydro power plant (HPP) Piva will work in the system of Montenegro.

“On the other hand, it is necessary to work on strengthening the capacity of the company, to be ready for the opening of the market in 2015,” said Kovacevic.

According to him, EPCG was working in a very complex business and financial situation for the past two years.

Then, he said, originated most of the company’s debt, because the operating result was influenced by the fact that the Aluminum plant and part of consumers were not paying their electricity bills.

“This debt is measured by tens of millions of euros, which disabled regular cash flow and led EPCG in more difficult situation to pay their bills. Otherwise, in intense discussions with the authorities in the government, we are working on finding modalities for the settlement of mutual claims,” said Kovacevic.

He said that, if they continue the planned schedule, with all the risks, preparation works for the construction of a second block of thermal power plant Pljevlja will begin next year.

“Under the risks I imply first of all the deal with a partner on the method of financing the project, providing funds in the circumstances of long and complex procedures of banks, or deal of the main shareholders of EPCG,” Kovacevic said.

He added that, from the standpoint of company, model of equity participation of partners in the future company is optimal, and in that way they talk to all the partners.

“The beginning of the investment depends on the dynamics of alignment of attitudes with a partner and completion of the previous procedure. The construction will take about three years, and significant advantage is the existence of common facilities and related infrastructure for both blocks,” said Kovacevic.

For the tender for the construction of Pljevlja II, nine bids were submitted, and, according to Kovacevic, after a detailed analysis of the submitted documentation, four were distinguished.

“By the end of January next year, preliminary financial analysis will be done, and then we will have a clear picture of the economic feasibility of each bid. This will be the basis for the Board of Directors of EPCG to define the final investment package and to send it to shareholders for consideration and decision,” explained Kovacevic.

He said that overall debt of consumer of EPCG, without the direct debt, is more than 200 MEUR. Most of the debt is related to the households.

“EPCG is sensitive to the social environment and that is why we have launched a campaign to split the burden, in order to ease the citizens to meet their obligations without interest,” said Kovacevic.



Montenegro: Power utility company EPCG marks 25MEUR positive records in 2013, says EPCG Board of Directors

Source;Serbia Energy See desk/MNE EPCG