

Montenegrin company Uniprom, the owner of now closed aluminium producer KAP, has filed a lawsuit against state-owned power utility EPCG, claiming 17 million euros in damages over KAP dispute.

The lawsuit states that Uniprom bought KAP in 2014 and invested several tens of million euros in the company since. However, the increase of the volume of production was dependent on the amount of electricity supplied by EPCG.

During 2021, KAP paid 45 euros/MWh (without VAT) for electricity supplied by EPCG under a contract which had an option for one year extension. However, in the last quarter of the year, the price of electricity on the exchanges skyrocketed, exceeding 250 euros/MWh. EPCG said that it is not willing to suffer financial losses due to the fact that it procures a part of electricity from imports, which is why it offered a new supply contract to KAP, valid from 1 January 2022, with the price of 183 euros/MWh.

KAP rejected the offer claiming that other companies supplied by EPCG are offered lower price. Because it failed to secure an electricity supply contract for 2022, the production processes at KAP were halted on 31 December 2021.

Uniprom claims that EPCG was obliged to extend the contract for 2022 at previously agreed price of 45 euros/MWh. It also claims damages of some 0.95 million euros for December 2021, 4.7 million euros for January 2022, 5.1 million euros for February and 6.6 million euros for March, along with future damages until 31 December 2022.

KAP was the largest single electricity consumer in Montenegro and was responsible for about 20 % of the country's exports.