

## Montenegro: TSO CGES requires 8MEUR dept from Power utility company EPCG

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Electric Transmission System of Montenegro (CGES) opened proceedings to Commercial court in Podgorica against Electric Power Industry of Montenegro (EPCG) for 8 million EUR of debt, which refers to the period from the 1st January to 31st May 2013, as stated in the motion for execution.

Electric Transmission System CGES proceeded against Electric Power Industry to Commercial court in Podgorica, for 8 million EUR of debt which refers to the period from 1<sup>st</sup> January to 31<sup>st</sup> May 2013, as stated in the motion for execution.

In that period EPCG didn't pay to CGES, whose president of the Board of Directors is Dragan Laketic, for using of electricity transmission capacities.

Before the beginning of yesterday's preliminary hearing, EPCG's attorney Zoran Knezevic asked for adjournment in order for disputants to try to make an alternative dispute resolution, which was refused by the attorney of CGES Darko Vukasinovic. Knezevic highlighted that he will inform the authorities about that proposal, and adverted that parties could opt for alternative dispute resolution up until the closure of main hearing.

Although specific dispute between two companies refers to using of transmission network capacities for regular electricity supply, the conflict is, according to unofficial findings of Dan, indirectly related to last year's electricity theft from European interconnection for Aluminum Combine (KAP).

Electricity stealing started on 22 February, after EPCG stopped providing KAP with 84 megawatts of electricity from reserves, and the stealing stopped on 25<sup>th</sup> of May.

According to quotes from yesterday's hearing, EPCG doesn't find disputable the price that electricity supplier is charged for using the transmission capacities, but rather the amount of delivered electricity, because, as EPCG attorneys claim, the amount of electricity delivered to final consumers, is smaller than the quantity EPCG invoiced.

Knezevic entirely vindicated the claim in accordance with paragraph 153 of the Law on Energy, which stipulates that contractors are obligated to conclude a contract on the use of transmission network, which wasn't done for the disputed period, because, as Knezevic claims, CGES refused to sign the contract.

Knezevic also pointed out that EPCG accepted the proposal for compensation of mutual relations and suggested two parties to meet, which CGES refused. He also pointed out that, RAE's decision from 2<sup>nd</sup> July 2012 on approval of regulatory income and price is unacceptable

and inapplicable for the disputed period because, as he clarified, it doesn't contain amounts of transferred electricity, or the list of measuring points serving for data collection, on the basis of which the invoicing is done.

He suggested that the Court examines as a witness the Chief engineer Vladimir Bojicic, and Vladimir Kilibarda, as well as Director Momir Grbovic, about circumstances on price vindication and for not concluding the contract between companies. The judge Milica Popovic scheduled a sequel of preliminary hearing for 14<sup>th</sup> October.