

Romania: The state requires more than a billion euros in damages from Enel

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SAPE has initiated two proceedings against Enel before the arbitration court in Paris, demanding compensation in the amount of over one billion euros.

In the first case SAPE seeks compensation in the amount of \$ 1.2 billion from Enel Investment Holding, Enel SpA, Enel Distribution Muntenia and Enel Energy Muntenia, said the PR department of the Ministry of Energy.

Ministry of Energy claims that contractual damages suffered by Electrica (later SAPE) is more than 834.2 million, including unrealized bonds in the amount of 378.6 million lev (84.9 million euros), according to the contract on privatization of Electrica Muntenia Sud.

The initial deadline for the decision of the arbitration was in October 2015. That deadline was postponed to December 30, 2015. Decision-making has once again been postponed for February 29, 2016.

In the other case SAPE request from Enel Investment Holding and Enel SpA to jointly pay 521.5 million euro in accordance with the Put Option clause, the agreed interest at a level that is specified in the contract on the privatization of Electrica Muntenia Sud, or EURIBOR plus a margin of 3% for the period from December 24, 2012 until the date of payment.

Decision in this case is planned for November 2016.

According to the privatization contract, which was signed in July 2007. Electrica has the right to sell and Enel is obliged to buy all or part of the package of 23.57 percent of the shares of the former Electrica Muntenia Sud, officials from Romania claims.

Enel representatives say that the exact amount of the minority share of stocks for the purchase is not specified, but it is calculated on the basis of elements that leave room for different interpretations. This was the subject of negotiations between Enel and Electrica but consensus was not reached.

In Romania Enel owns three former branches of Electrica distribution and supply in the area Muntenia Sud, including Bucharest, Banat and Dobrogea.

SAPE Company, founded in 2014, manages the minority share in companies for distribution and supplies that were privatized, including the settlement of disputes with investors, transmits [Serbia-energy.eu](https://serbia-energy.eu)