

Russia Claims 1.0 Bn Euros Over Bulgaria Nuclear Deal

MOSCOW, Sept 11, 2012 (AFP) - Russia has raised to one billion euros (\$1.3 billion) its compensation claim against Bulgaria over Sofia's decision to drop a deal for a Russian firm to build a new nuclear power plant.

"The increased damages claim now amounts to no less than one billion euros," **Atomstroieksport**, Russia's nuclear export monopoly, said of the claim made with the International Court of Arbitration.

The new claim is a sharp increase on the previous sum of 58 million euros (\$75 million) Atomstroieksport had sought at the Paris-based court from Bulgaria's national power company over the deal for the **Belene power plant**.

Bulgaria said in March it had decided to cancel the deal with Atomstroieksport to build the Belene 2,000-megawatt nuclear power plant on the Danube as it could not afford to pay, a move that angered Moscow.

The price of the plant was estimated at about 6.0 billion euros (\$7.7 billion) plus interest on eventual credits Sofia would have to take to fund the deal.

Atomstroieksport said the new damages claim had been forced by the Bulgarian government's decision to scrap the deal entirely as Sofia was "refusing to compensate for the sustained losses and expenses."

"The claim by Atomstroieksport includes the cost of all the works carried out on the project, the cost of equipment, losses and so forth," it said in a statement carried by Russian news agencies.

The first agreement on the construction of the power station by Russia was signed with Bulgaria in 2006 with the contract inked in January 2008. But the project was dogged by constant price-haggling.

Anton **Khlopkov**, director of the Center for Energy and Security Studies, said the dispute was already politicised and the Russian nuclear agency **Rosatom**, Atomstroieksport's owner, did not want clients to be seen backing out of deals.

"The question will have to be solved at a political level, it is already politicized and the political leadership is involved in it," he told AFP.

"Russia has a large book of atomic orders and it is important for Rosatom to show that it is observing contractual obligations and is expecting its partners to observe their obligations too."

"Russia is investing \$7-8 billion in some of these projects. It is important to use this episode as a precedent to show that partners also have to observe their obligations."

Atomstroieexport complained that it had placed orders with Russian sub-contractors for the project several years previously due to the long period required to make the components of an atomic power plant.

"Most of these parts have been manufactured but are in storage with Russian firms because of Bulgaria's refusal to take them," it said.

The company said it had already carried out all the necessary geological work on the site in Bulgaria and had cleared it of all remaining old constructions in order to build the power plant.

Part of the International Chamber of Commerce, the International Court of Arbitration helps in arbitration disputes but cannot itself award damages or even costs.

Meanwhile, Bulgaria's national electricity company has launched a counter-suit against Atomstroieexport at a Geneva arbitration court to recover what it said were 61 million euros (\$78 million) in debts.