

The conditions are in place for formal arbitration proceedings to begin between Bosnian coal miner and energy producer RiTE Ugljevik and Slovenia's Elektrogospodarstva now that agreement has been reached with regards to the selection of a third arbitration judge in a dispute over a joint energy project, local media reported on Friday.

In a long-running dispute over an investment in the Ugljevik thermal power plant (TPP), Slovenia is seeking damages from Bosnia that could run up to 3 billion marka (\$1.7 billion/1.5 billion euro) related to the pre-war construction of the TPP in which Slovenia invested one third of total funds, local news portal Nezavisne reported, adding that the arbitration proceedings could start on October 30.

The agreement then was that the TPP would supply Slovenia with electricity matching in value the funds it invested in its construction. However, power supply ceased in 1992 in the wake of the war that broke up Yugoslavia.

The two parties have until September 6 to pay \$150,000 in court fees, the Washington-based International Center for the Settlement of Investment Disputes (ICSID) ruled, including the cost of the first court session scheduled to take place in The Hague.

The costs of the proceedings will be borne by Ugljevik or the government of Bosnia's Serb Republic as the company's majority owner.

The two sides recently agreed on the third arbitrator in these proceeding and both argue that they are in possession of evidence that will help them win the case, Nezavisne reported. According to Nezavisne, the Maribor-based company has lodged two lawsuits against the state of Bosnia and Herzegovina in front of two courts on the same merits and with identical claims. The first is before the ICSID and the second before Belgrade-based Commercial Court on grounds of the Serbian law on arbitration.

The ICSID case was lodged mid-June last year, whereby Slovenia asked for damages in the about of 750 million euro, but if Bosnia were to lose this figure would surge due to related costs and interest, Nezavisne said.

The Serb Republic is one of two entities that make up Bosnia and Herzegovina, the other is the Muslim-Croat Federation.

source: wire.seenews.com