

The Bucharest Court has rejected the appeals filed by Alpiq RomIndustries and Alro Slatina against the Euro Insol trustee in bankruptcy's decision not to include in the preliminary outstanding debt table the RON 527.79 M and RON 129.66 M sums that the two companies claim. The sums represent the damages that the two companies demand to be paid because the quantity of electricity delivered by Hidroelectrica from September 2011 to April 2012 was lowered based on a force majeure clause.

"Alpiq RomIndustries and Alro SA are part of the category of energy traders known to the public as "the slick guys," which benefitted from preferential contracts because of which Hidroelectrica registered EUR 1.1 bln in damage. We remind the readers that from October 2011 to December 2012, Hidroelectrica faced extreme drought, characterized by the lowest Danube discharge in the last 150 years and reflected in an electricity production historic low of just 11.8 TWh in 2012. In the first stage, in order to be able to meet its contractual obligations, Hidroelectrica bought electricity from the balancing market and from fossil fuel power plants, at prices of RON 280-340 per MWh, only to resell it, at a loss, as part of the contracts with the slick guys, at prices of RON 103-132 per MWh. When Hidroelectrica depleted its financial resources, registering a net loss of RON 783 M, it activated the force majeure clause that allowed it to lower the quantity of electricity offered to all commercial partners. Alpiq RomIndustries and Alro delayed the solving of these litigations for well over 3 years, by resorting to various legalistic tricks that consisted of: postponement demands, change of court demands, recusation demands, or demands for evidence unrelated to the case," lawyer Remus Borza, the representative of the trustee in bankruptcy, stated. The court reimbursed Hidroelectrica in full the court expenses requested in the two litigations - cost of expertise carried out, lawyers' fees -, namely RON 68,000 in the litigation with Alpiq and RON 61,000 in the litigation with Alro.

Euro Insol and Hidroelectrica were represented in court by the Borza & Associates law firm and Milos, Dumitru & Associates respectively. Alro was represented by Tuca, Zbarcea & Associates, and Alpiq RomIndustries by the Schoenherr law firm.

source: energyworldmag.com