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E.On, Enel Get Moral Support From Putin

By Roland Oliphant

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Prime Minister Putin speaking with European energy executives Monday by video link from the Leningrad region. **Yana Lapikova**

Prime Minister Vladimir Putin promised "all kinds of support" for foreign investors in the electricity industry Monday in an effort to smooth feathers ruffled after the government fined Enel-OGK-5 over delays at a new power station.

Speaking by video link to executives from Germany's E.On and Italy's Enel, Putin praised the companies for their contribution to "work in the field of hydrocarbons and electricity, to solve the problem of the utilization of associated gas, which is a very important task for Russia."

Both European companies opened new capacity in Russia on Monday.

"I want to express my hope that our work with you will continue. We will give you full support — of that you can have no doubt," the prime minister said.

Putin was speaking as E.On commissioned two new energy blocks with a combined capacity of 800 megawatts at the Surgut thermal power station in West Siberia and Enel launched its delayed Block 12 at the Sredneuralsk plant.

E.On became the largest foreign investor in Russia's electricity-producing industry when it bought generating company OGK-4 in 2007 — which subsequently became E.On Russia.

The company's investment program seeks to up capacity by 2.4 gigawatts with projects including a 400-megawatt block at the Yaivinskaya power plant to be launched in September and an 800-megawatt steam-gas generating block at the Berezovskaya power station.

The company recently increased its estimate for its investment program from 97 billion rubles to 109.4 billion rubles ($3.5 billion to $3.95 billion) after signing a contract to build the Berezovskaya blocks, E.On Russia said Monday.

Enel-OGK-5, the Italian firm's subsidiary in Russia, opened a 410-megawatt gas-cycle turbine block at the Sredneuralsk power station Monday, its second new generating facility in the country.

The commissioning of the block had been delayed for bureaucratic reasons, a hiccup that Putin sought to smooth over.

"I hope you're not offended by us over this small, I'd even say symbolic, fine, connected with the slight delay in commissioning the power station?" Putin asked Enel vice president Carlo Tamburi by video link Monday.

The fine in question actually ran to several tens of millions of rubles, and was not entirely symbolic, head of the government department for industry and infrastructure Maxim Sokolov told Interfax.

But Tamburi insisted that there was "absolutely no offense" taken, explaining that Enel had to postpone the launch of Energy Block No. 12 at the Sredneuralsk power station, which officially went online Monday, "because it needed a separate permit."

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