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INDEPENDENT NEWS FROM RUSSIA

Floating Nuke Plant Seized in Bankruptcy

By Roland Oliphant

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The fallout from the collapse of the International Industrial Bank last fall has led a court to impound the world's first floating nuclear power station late last week.

But construction of the unique power plant continues. "Work is continuing as normal, and I think it should be commissioned on schedule by 2012," a Rosatom spokesman said by telephone Friday.

A St. Petersburg court seized the floating nuclear power station under construction at the Baltiisky Zavod shipyards after Rosenergoatom, the division of the Rosatom nuclear monopoly that commissioned it, demanded recognition of its right of ownership to the unfinished vessel.

The July 26 court order, reported by Kommersant on Thursday, gave the go-ahead for the seizure on the basis of "significant risk" that Rosenergoatom could lose its investment in the 9.8 billion ruble ($334 million) vessel if another claimant seized Baltiisky Zavod's assets during bankruptcy proceedings.

Baltiisky Zavod general director Andrei Fomichev told Kommersant that the seizure had come as "a surprise" and that the company would challenge it in court.

The ship yard, which is 88.3 percent owned by former Tuva governor Sergei Pugachev's United Industrial Corporation is facing litigation from numerous disgruntled creditors.

Claimants include insurance firm Sogaz, which is demanding a 51.1 million ruble premium for insurance of the floating plant, Khanty Mansiisk Bank, which is seeking 128.75 million rubles, and a local Gazprom subsidiary, which wants 36 million rubles, Interfax reported.

International Industrial Bank, also known as Mezhprombank, had its operating license revoked when it declared itself bankrupt in November. In January prosecutors launched a criminal case against the bank for intentional bankruptcy.

United Industrial Corporation's stake in Baltiisky Zavod has been pledged to the Central Bank since last fall as collateral for an unreturned loan to Pugachev's International Industrial Bank, which went bankrupt in November.

The dispute is not the first to hit Rosatom's ambitious plans to build a generation of floating nuclear power stations to serve remote coastal communities in Russia's north and Far East.

Interfax on Thursday quoted an unidentified source at Rosatom saying the contract could be reassigned to another shipbuilder.

A Rosatom spokesman reached by telephone Friday declined to comment on the claim.

If true, it would be the second time a contractor has lost the order from Rosatom, which originally commissioned the Sevmash shipyard to build the controversial floating nuclear plants in 2006.

Rosenergoatom tore up that agreement in 2008 and signed a new deal with Baltiisky Zavod in 2009.

Baltiisky Zavod is scheduled to finish the first station in 2012, according to the contract. The 70-megawatt plant is destined for Kamchatka.

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