



# **Actual Developments of Serbian Gas Industry**

*UNECE, Working Party on Gas  
16 th Session  
Geneva, 23-24 January 2007*

# Regulatory Framework

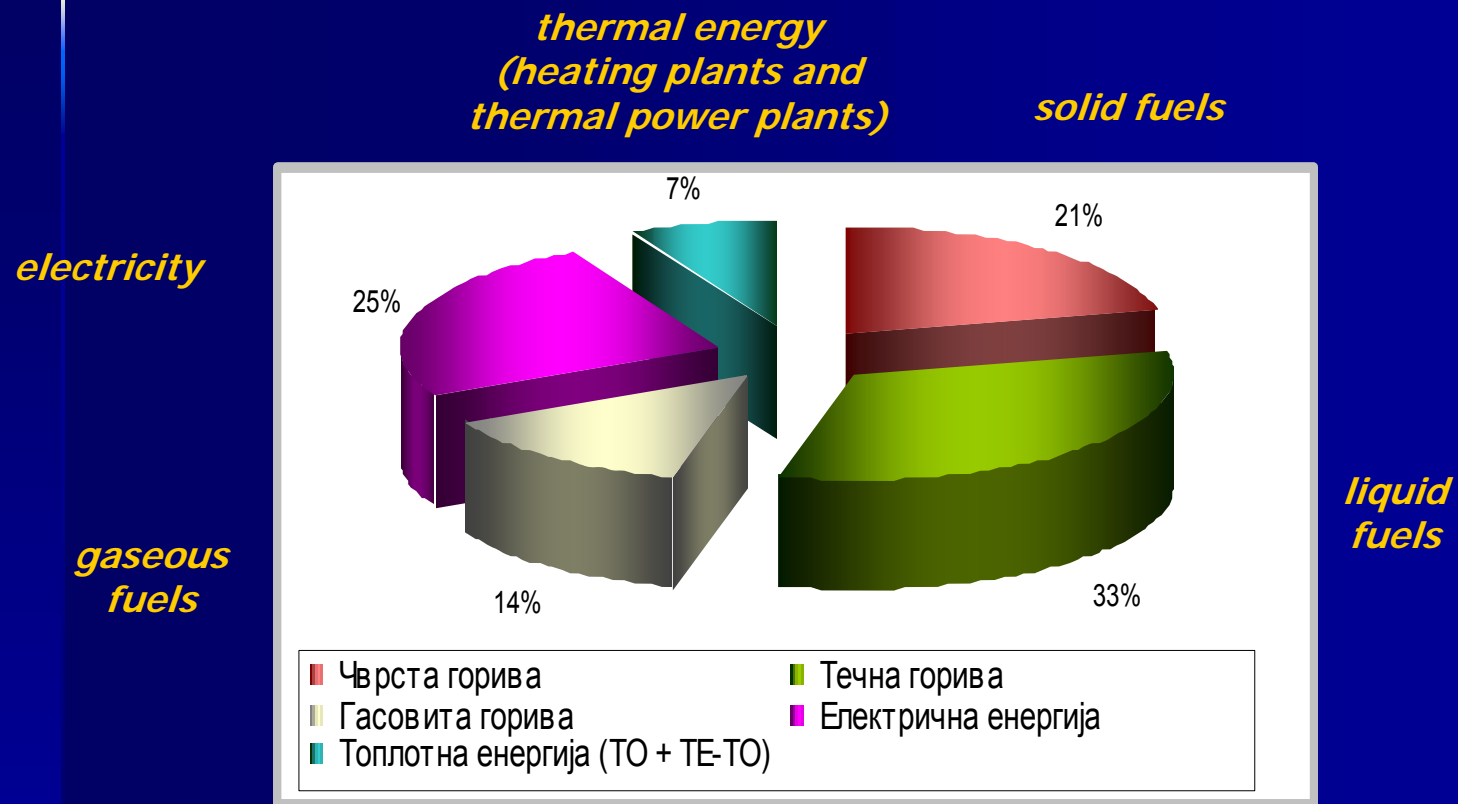
- Energy Law of 2004
- Energy Community Treaty of 2005, ratified and entered into force in 2006
- Energy Regulatory Agency, established in 2005
- Secondary regulatory framework:
  - Tariff systems and methodologies of January 2007
  - Code on operation of natural gas transmission and distribution systems – Network code

## Balance Indices

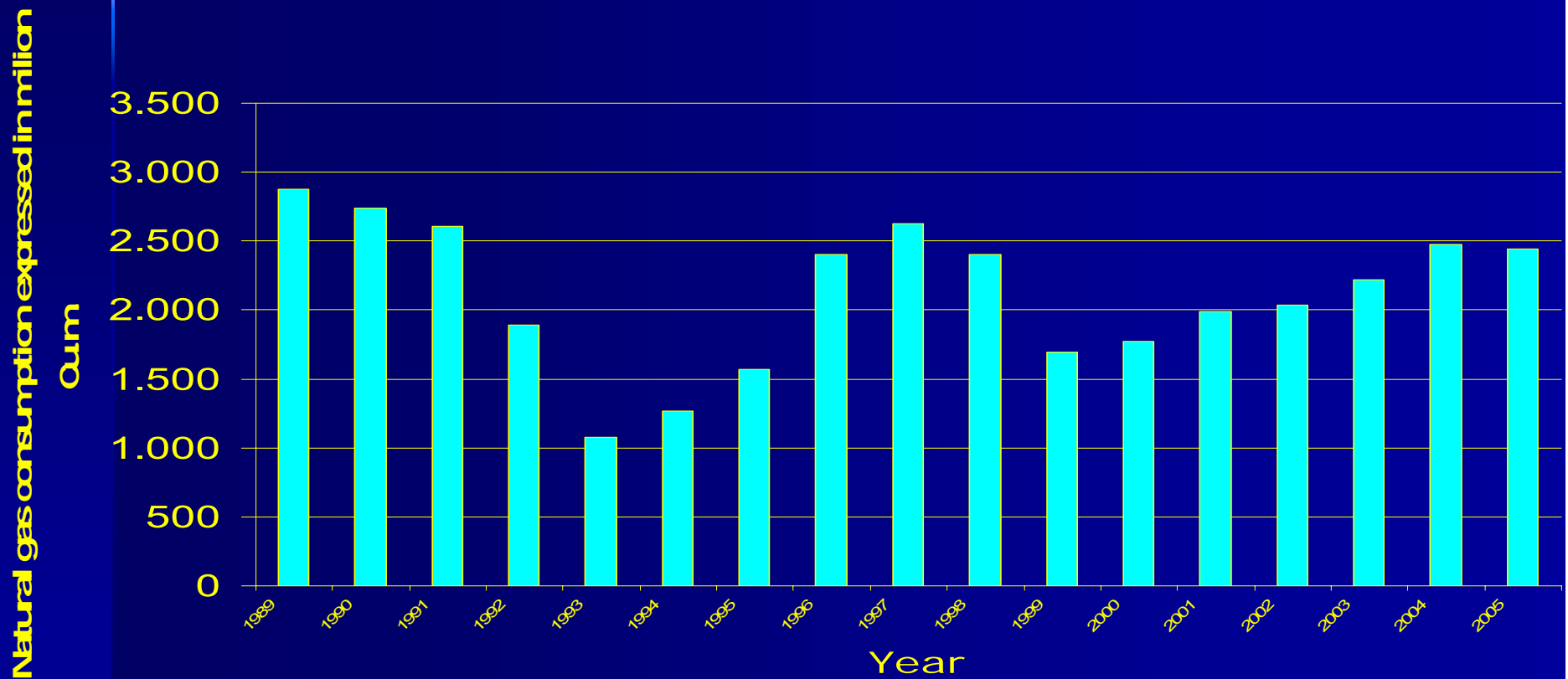
- Natural gas production saw the decreasing trend in the last few years
- Energy balance for the year 2006 envisaged a fall of production by 14% if compared to the last year
- Current natural gas production in Serbia amounts to 250 mcm

- The biggest share of the market demand in 2006 was covered by the natural gas import from the Russian Federation, reaching the level of about 2.085 mcm
- Total consumption in 2006 has amounted to approx. 2.278 mcm
- Realized scope of natural gas transit to Bosnia and Herzegovina was approx. 369 mcm
- Natural gas share in final primary energy consumption has reached the level of 14%

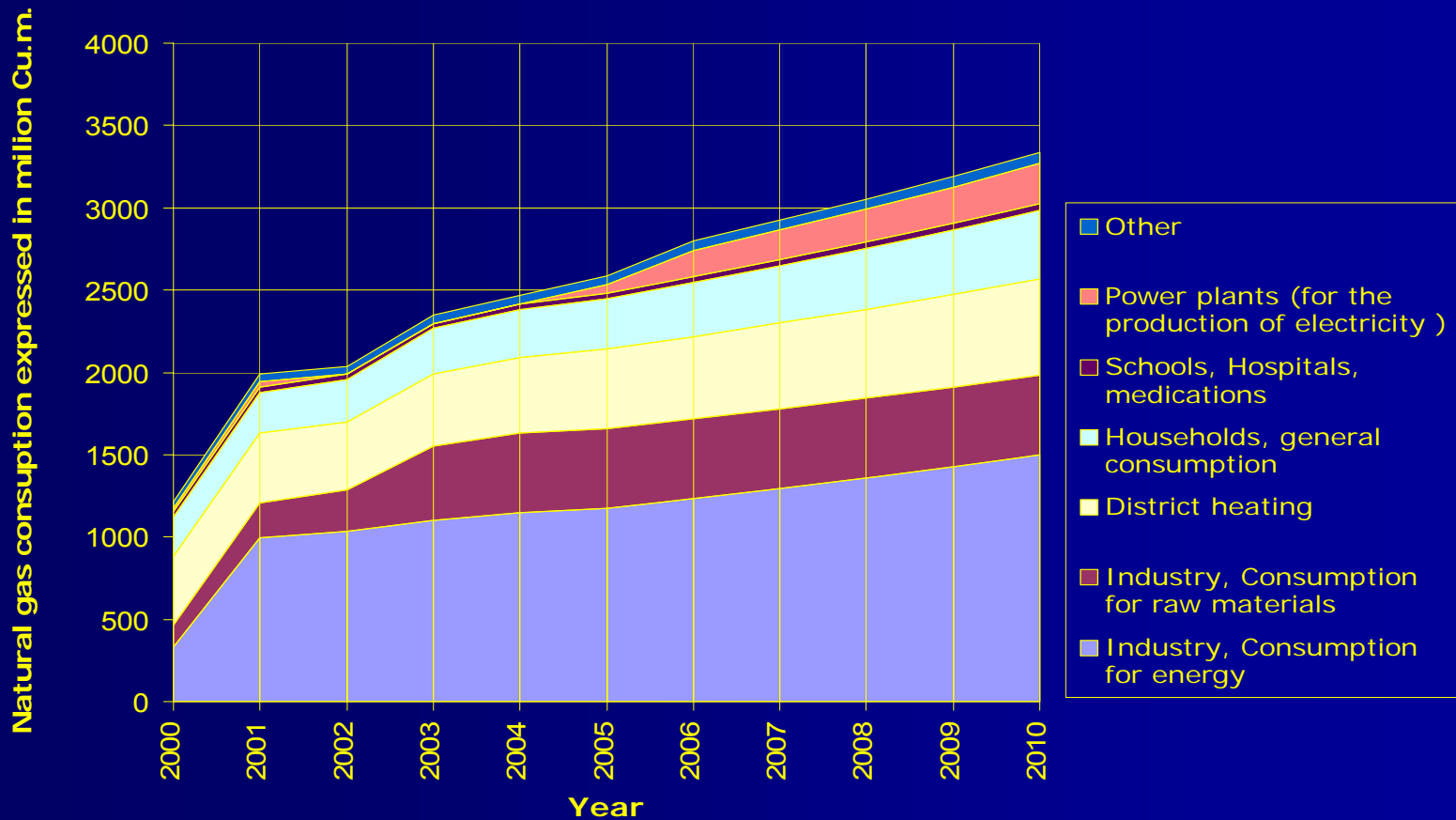
# Final Primary Energy Consumption in 2006



# The Consumption of Natural Gas in Serbia During the Period 1989-2005



# Natural Gas Demand Forecast for the Period 2000-2010



# JP SRBIJAGAS

Is the main player on Serbian gas market and involved in following activities:

- Transmission
- Distribution
- Storage
- System operating
- Trading



# Main Features of Gas Transmission System

- Capacity : 540.000 cm/h (13 mcm/day)
- Pressure range : 16 to 50 bar
- Length : 2.140 km
- Diameter range : DN 150 to DN 750
- Years of service : 25 (average)

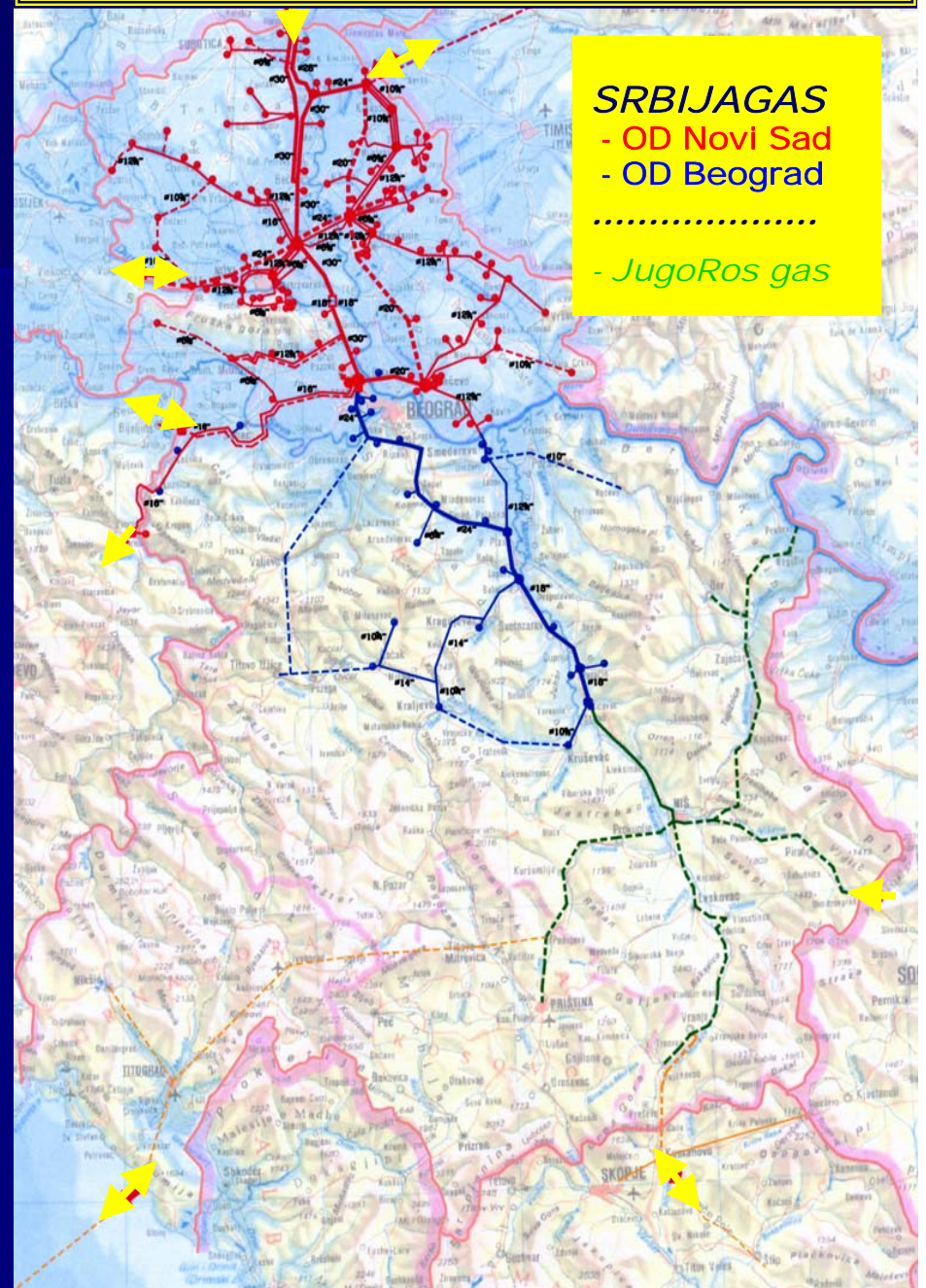
## Number of inlet points :

- Imported gas: 1
- Domestic gas: 14

## Number of outlet points:

- Primary M&R Stations : 158
- Gate Stations : 2

## Serbian Natural Gas System



# Main Characteristics of Gas Distribution System

## City gas networks :

- **Mid-pressure:** 4 to 16 bar
- **Length :** 650 km
- **Low-pressure :** up to 4 bar
- **Length:** about 3.000 km
- **Years of service:** 10 (average)

## Number of inlet points :

- **Primary M&R Stations:** 158
- **Domestic gas:** 7

## Number of outlet points :

- **Undustrial consumers :** 600
- **Household customers :** about 50.000

# Main Features of Natural Gas Underground Storage Investment in Progress

## TOTAL CAPACITY :

- **Max**            **800 mcm / cycle**
- **First phase** **300 mcm / cycle**

## INTAKE CAPACITY:

- Max.**            **7 mcm/day**
- Min.**            **1.3 mcm/day**

## OFFTAKE CAPACITY :

- Max.**            **10 mcm/day**
- Min.**            **1.6 mcm/day**

# Gas System Development Plan Until 2010

- Construction of high-pressure gas pipelines
- Operation of underground storage Banatski Dvor
- Distribution gas network development
- Upgrading of the existing gas pipeline systems

- Planned construction of high-pressure gas pipelines in northern part of Serbia estimated to EUR 82 million investment cost and in southern part to EUR 140 million
- Construction of distribution gas grids possible in more than 80 districts
- Construction could enable connection of more than 650.000 households in Serbia
- Estimated investment cost about EUR 500 million

# Underground Gas Storage Banatski Dvor

- Investment cost required EUR 128 million
- Own assets invested up to now amounted to EUR 18 million
- Two construction stages:
  - First stage 2004-2007 EUR 50 million
  - Second stage 2007-2011 EUR 78 million

## Purpose of the Underground Storage

- Storing of imported overbalanced gas during the summer, resulted from take-or-pay commitments accepted
- Balancing the seasonal supply/demand fluctuations
- Efficient usage of transmission gas pipeline system
- Covering peak demand in winter

# Reconstruction of the Existing Gas System

- Rehabilitation , upgrading and modernization of the existing gas system
- Goal: Secure transmission and distribution of natural gas
- Estimated investment cost EUR 30 million



## Memorandum on Understanding

- Signatories of the Memorandum are Government of the Republic of Serbia, Public Enterprise Srbijagas and Gazprom export
- Based on the Agreement between FRY and Russian Federation of 1996
- The Memorandum considers development prospects of the International gas pipeline construction project

- This transmission gas pipeline should enable gas transmission from Russia, through the South-East European countries, including Serbia and Croatia, to northern Italy.
- Diversification of natural gas supplying routes in the region of South-East Europe would contribute considerably to the regional gasification development, as well as to the better and more secure European market supply

**THANK YOU FOR YOUR  
ATTENTION**