

PRESS RELEASE

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EPH wins in the dispute with Czech Coal over coal supplies The court orders Czech Coal to immediately resume coal supplies for Elektrárny Opatovice

The Ústí nad Labem Regional Court delivered today an interim injunction imposing on Czech Coal the obligation to promptly resume coal supplies for Elektrárny Opatovice (EOP) to the full extent under the agreement in place. EOP filed a motion for the interim injunctions on Monday 18 June 2012. The court's decision is effective immediately.

"We welcome the court's decision. We regard it as a completely logical confirmation that the interruption of coal supplies by Czech Coal was illegal," said Jan Špringl, EOP Chairman. "Thanks to the court's decision, we are able to provide our customers with heat and electricity supplies for the currently applicable prices," he added. "The disruption to coal supplies was an irresponsible step that directly jeopardises heat supply for thousands of households in eastern Bohemia. We expect that Czech Coal will respect the court's decision and immediately resume coal supplies to the full extent," Mr Špringl further added.

Czech Coal announced discontinuation of coal supplies for EOP on 7 June 2012. The last train with coal reached EOP on Friday 8 June, and Czech Coal has not made any supplies since then. EOP has requested Czech Coal to resume coal supplies, on Friday 8 June officially and then again on 13 June through its Supervisory Board.

For EOP the cessation of coal supplies is a serious threat for thermal energy production for more than 60,000 households and other customers in the regional capitals Pardubice and Hradec Králové, and in Chrudim and other towns. This complete interruption in coal deliveries together with the insufficient stores of coal can also have negative impacts on the regional stability of the electrical grid, which EOP helps to ensure by providing ancillary services.

The reasons cited by Czech Coal for its rescission of the contract are unacceptable and bullying. In addition, regardless of whether or not Czech Coal could rescind the contract, under the contract it had an unquestionable obligation to supply coal to EOP until the end of 2013, because any potential rescission was only to take effect at the end of the following calendar year.

Prior to the court's decision, Czech Coal noncommittally stated its willingness to continue to supply coal for EOP under the same pricing conditions, but only with reduced quantities. But it did not even supply such quantities. But even if it had done so, the minimal quantities of supplied coal would not even have been sufficient to produce heat in cogeneration for Elektrárny Opatovice's current customers. EOP therefore immediately started to analyse alternative options of coal procurement.

Petr Zadák
Spokesman