

# Raspadskaya Says Mine Repairs to Cost Less

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Putin meeting in June with widows of people killed in the mine explosions.

Costs to repair Raspadskaya's largest mine after fatal explosions earlier this year will likely reach 8.6 billion rubles (\$281 million), the coal producer said Wednesday, scaling back a higher estimate from Prime Minister Vladimir Putin.

The sum includes expenses for social payments, extinguishing the fire, pumping water from the mine, and bringing the shaft back into working order, Raspadskaya said in a statement.

Production of coking coal, which is used in steelmaking, fell 42 percent in the second quarter compared with the preceding three months because all production is still halted at the damaged mine, the company said in a separate statement.

Raspadskaya's shares finished up 1 percent in Moscow, outperforming the benchmark MICEX Index, which closed down 0.7 percent.

Twin blasts ripped through Russia's largest underground mine on the night of May 9, killing 90 workers and rescuers, some of whom are still officially listed as missing. Restoring the mine, which employed about 4,000 people, could take 12 to 15 months, according to Energy Ministry estimates.

Putin traveled to the Kemerovo region mine on June 24 to discuss recovery efforts. He estimated that it would cost 10 billion rubles to restore the damaged mine, up from earlier estimates of 6 billion rubles.

The federal government could assist if needed, he said, but shareholders will have to bear the majority of the costs. Evraz Group and company management evenly own about 80 percent of Raspadskaya, Russia's largest producer of coking coal.

Separately, Russia's industrial safety watchdog said Wednesday that it would submit its preliminary report on the causes of the accident to the government on Friday.

"The reasons are clear — they were organizational shortcomings," said Nikolai Kutin, director of the Federal Service for Environmental, Technological and Atomic Inspection, Interfax reported.