

# Moscow, Sofia to Speed Work on South Stream

By [The Moscow Times](#)

October 17, 2010

**The**  **Moscow Times**

SOFIA, Bulgaria — Gazprom agreed with Bulgaria on Friday to speed up work on the planned South Stream pipeline that will run across the Black Sea via Bulgaria to Western Europe.

Gazprom will sign an agreement with Bulgaria next week to do a feasibility study for the country's section of the pipeline, chief executive Alexei Miller told reporters in Sofia. The link may carry 63 billion cubic meters of gas a year to the European Union.

"Today's meetings gave a serious push to the project," Miller said after meeting Bulgarian Prime Minister Boyko Borissov. "We achieved serious progress."

Gazprom plans to set up a joint venture in November, a few months ahead of schedule, to oversee the Bulgarian section of South Stream, Miller said.

Bulgarian Economy and Energy Minister Traicho Traikov confirmed that the joint venture

would be set up next month.

Gazprom, the world's biggest gas producer, plans to build the pipeline to supply eastern, central and southern Europe, bypassing transit states such as Ukraine. The construction is planned to start in 2013, with the first gas deliveries at the end of 2015.

Miller reiterated that South Stream, controlled by Gazprom and Italy's Eni, will have its first gas shipments to southern Europe at the end of 2015. French power company EDF also holds a stake.

Romania signed an accord with Gazprom on Wednesday about the possible construction of South Stream across its territory. Gazprom has not made a final decision on the route.

Commentators have speculated that Russia was losing patience with Bulgaria's government, which has been reviewing Russian-backed projects since coming to power in July. Some analysts have suggested talks with Romania were aimed at showing Sofia it could be bypassed.

"We are at a very important stage in the project, where we are optimizing the route," Miller said.

The Bulgarian section of the pipeline is estimated to cost \$835 million, out of a total cost of 20 billion euros (\$26 billion).

Bulgaria also backs the OMV-led Nabucco pipeline, which aims to bring gas from the Caspian Sea region and the Middle East to Austria via Turkey, and thereby reduce Europe's reliance on Russian supplies.

Bulgaria relies entirely on Russian gas imports and is negotiating new supply contracts, which should be signed by June 2011.

Gazprom pumps 17.8 bcm a year to Turkey, Greece and Macedonia via Bulgaria. Bulgaria consumed 2.2 bcm of that in 2009.

*(Bloomberg, Reuters)*

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