

Gazprom Starts Arbitration Against Lithuania

By [The Moscow Times](#)

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Gazprom is taking Lithuania to international arbitration over its plan to break up the Baltic nation's sole gas utility. The Russian monopoly informed the board of Lietuvos Dujos that it would defend its interests at a meeting held earlier this week, Gazprom said Thursday.

The gas giant holds a 37 percent stake in Lietuvos. Lithuania is splitting the gas sales and transmission ownership of Lietuvos Dujos as part of the European Union's drive to force dominant energy companies to improve access for competitors.

"We're puzzled," Kestutis Jauniskis, a spokesman for Energy Minister Arvydas Sekmokašas told the Baltic News Service after the Gazprom statement. "These steps don't help maintain the dialogue achieved in the Feb. 27 meeting."

Unbundling "will go ahead as planned," Lithuanian Prime Minister Andrius Kubilius said in an interview in Brussels on Thursday. "The end of 2014 is, for us, when unbundling has

to be implemented according to our law."

Kubilius said he had a meeting with Gazprom Export's Alexander Medvedev on Feb. 27, where both sides agreed that Gazprom will no longer question the unbundling plan.

The government Wednesday delayed the deadline for Lietuvos Dujos to prepare the program for unbundling by two months in response to the meeting with Gazprom.

The Lithuanian government asked the European Commission in January last year to investigate possible market abuse by Gazprom after the company said Lithuania, unlike neighboring Latvia and Estonia, won't receive gas price cuts because of its unbundling proposal.

(Bloomberg, MT)

The South Stream Transport company — the legal entity of the planned pipeline project under the Black Sea that is driven by Gazprom and will bring more Russian gas to Europe — announced Thursday that Dutch firm Intecsea won the engineering and design contract and that the environmental and social impact assessment would be done by British company URS Infrastructure & Environment.

Also on Thursday Bulgaria, a key participant in the South Stream project, announced that it wants to secure price discounts on gas from Gazprom.

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