

Bulgaria Calls Belene Claim "Treacherous"

By [The Moscow Times](#)

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SOFIA — Bulgaria's prime minister said a Russian demand for 1 billion euros (\$1.3 billion) compensation for an abandoned nuclear project was "treacherous," and analysts said the row could obstruct plans for a Russian-backed gas pipeline.

Russia's Atomstroieksport is claiming compensation over the cancellation of the Belene nuclear plant it had been contracted to build. The amount demanded could strain Bulgaria's finances, as its economy slowly recovers from a deep recession.

"I truly hope that President Putin is not aware of that move. If he knows, he would not enjoy our meeting on Nov. 9 in Bulgaria," Prime Minister Boiko Borisov told reporters.

Russian President Vladimir Putin is expected to visit Bulgaria, which is heavily dependent on Russian energy supplies, on Nov. 9 to sign a deal for the construction of South Stream, a pipeline planned to transport 63 billion cubic meters of gas each year from the Black Sea

to southern and central Europe.

The pipeline, estimated to cost over 15 billion euros, will help maintain Russia's position as the major gas supplier to Europe.

"We are observing all our commitments on South Stream. For Belene we continue to negotiate ... That is why I think we have been absolutely treacherously surprised by that claim," Borisov said.

Bulgaria canceled the 2,000 MW Belene project in March after it failed to attract Western investors and due to pressure from its Western allies who were concerned about Bulgaria's energy dependence on Moscow.

While Borisov did not specifically mention any moves to delay or block South Stream, analysts said his remarks suggested he was planning to use the gas project as a bargaining chip to reduce the amount of compensation for Belene.

"The government's idea is to include the claims for Belene in the talks for South Stream. There is no way Bulgaria can both pay the claim and let South Stream happen," said Ilian Vassilev, an energy expert with Innovative Energy Solutions consultancy.

Bulgaria, once Moscow's most obedient ally, has cooled its relations with Russia after the center-right cabinet of Borisov put on review all major Russian-backed energy projects in the country in 2009.

The European Union's poorest member gets almost all of its gas from Gazprom, its only oil refinery is controlled by LUKoil and its only nuclear power plant Kozloduy is Soviet-built.

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