

Gazprom Wields Pipeline Plan in Spat with Ukraine

By [The Moscow Times](#)

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Gazprom is revisiting the idea of building the second strand of the Yamal-Europe gas pipeline to boost volumes to Europe as it raises the stakes in a pricing dispute with Ukraine, Interfax reported Wednesday.

Gazprom head Alexei Miller told President Vladimir Putin that the additional link could be launched in 2018-19 and raise its capacity by 30 percent, or about 15 billion cubic meters (bcm) a year.

Gazprom has long been in talks with European countries about the pipeline expansion. But it has raised the issue again as its gas pricing dispute with neighboring Ukraine heats up.

Gazprom charges Ukraine \$430 per 1,000 cubic meters of gas, a price that Kiev says is exorbitant and unaffordable.

The move, coupled with the launch of other alternative pipelines such as Nord Stream and South Stream, would weaken the position of Ukraine, which currently transships about half of the Russian gas bound for Europe.

"The market analysis showed that we may aim for 15 bcm of gas," Miller told Interfax.

He said the company had completed talks with Poland, Hungary and Slovakia about the possibility of increasing supplies via the so-called Yamal-Europe 2 pipeline.

But Polish Treasury Minister Mikolaj Budzanowski on Wednesday voiced skepticism about the project.

"I approach media speculation regarding the second Yamal gas strand with great caution, as agreeing or disagreeing with such a project should depend on the price of the transit gas and its suppliers," Budzanowski said in a statement.

"The acceptance by European Union entrepreneurs, potential buyers of the gas, to further raise imports from one source is also key," he added.

Gazprom, Russia's gas exporting monopoly, is Europe's biggest supplier of gas, shipping about a quarter of its needs.

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