

## EU Pushes for Restart of Russia-Ukraine Gas Negotiations

By The Moscow Times

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Guenther Oettinger addresses a news conference in Vienna June 16.

BRUSSELS — The European Union's top negotiator in the gas price row between Ukraine and Russia said Wednesday that he would call Moscow as soon as possible to try to get both sides back to talks and that Ukraine meanwhile should fill up its gas storage.

In what he said was "a first step" to getting Moscow and Kiev back to talks to work out an interim solution, EU Energy Commissioner Guenther Oettinger met Ukrainian Energy Minister Yurii Prodan and Andriy Kobolev, chief executive of Ukraine's Naftogaz, in Brussels on Wednesday.

Prodan told journalists in Brussels that Kiev is ready to renew negotiations and to sign a temporary agreement to continue gas supplies to Ukraine, Interfax reported.

The row over how much Ukraine should be paying Russia for its gas is unresolved after more

than a month of talks brokered by EU Energy Commissioner GAnther Oettinger. Three-way negotiations broke down at the start of last week, and Gazprom turned off gas supplies to Ukraine.

Both Kiev and Moscow are now suing each other at the international arbitration court in Stockholm for the billions they say they owe each other, a process that could take years.

Oettinger told reporters Wednesday that he would call the Energy Minister Alexander Novak and Gazprom CEO Alexei Miller as soon as possible to try to move negotiations forward.

Meanwhile, he emphasized the need "to fill Ukraine's storage as full as feasible" ahead of the coming winter.

Apart from depending on Russia for more than half of its gas needs, Ukraine is the transit route for roughly half of the gas Russia supplies to the European Union, which counts on Gazprom for about 30 percent of its consumption.

In a previous gas crisis in 2006 and 2009 involving Ukraine and Russia, Gazprom said there was knock-on disruption of the EU because Kiev siphoned off gas meant for the EU.

Prodan told Oettinger on Wednesday he was willing to admit EU monitors to check Ukraine respected its transit commitments.

Since the previous gas outages, all sides have been working on their options. Russia built the Nord Stream pipeline to Germany, bypassing Ukraine, and Gazprom has pushed ahead with its giant South Stream project, which would make Ukraine all but irrelevant as a transit nation.

The European Commission says South Stream is so far in breach of EU law and has suspended negotiations on bringing it into line, while trying to improve energy security for both Ukraine and the EU with better infrastructure and larger amounts of storage.

No problems have been reported so far for Ukraine or the European Union as gas stocks are high following a mild winter.

Asked about how long Ukraine can survive without Russian gas, Prodan said it depended on volumes of reverse flow gas.

Reverse flow pipelines allow Russian gas to be shipped back to Ukraine, although they are not enough to meet Ukraine's demand of more than 50 billion cubic meters per year. Oettinger said any reverse flow gas would be sold at the market price.

Slovakia, whose strategic position on the border with Ukraine makes it best placed to ship gas back, says reverse gas flows from Slovakia, Hungary and Poland to Ukraine could reach about 16 billion to 17 billion cubic meters per year.

Material from The Moscow Times was used in this report.

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