

Naftogaz Asks Gazprom to Review Gas Transit Contract

By The Moscow Times

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Amid acrid political spats between Russia and Ukraine, Ukrainian state natural-gas monopoly Naftogaz has asked Russian energy giant Gazprom to review the terms of their contract for transporting gas across Ukraine from 2009 to 2019, the head of Naftogaz said, Interfax reported Tuesday.

In a letter sent to Gazprom this week, Naftogaz asked its Russian counterpart to consider changing the methods used for calculating gas volumes, including where it will be counted and how the process will be controlled, Naftogaz CEO Andriy Kobolev said Monday on the Ukrainian television program "Free Speech," Interfax reported.

Kobolev did not say what other proposals were raised in the letter, but he said that the review process is already under way.

Kiev has sought to have the contract with Gazprom revised on a number of occasions,

frequently complaining that the transit fees Russia pays are too low.

Russia supplies about a third of the European Union's total gas requirements via pipelines running through Ukraine.

Relations between Naftogaz and Gazprom have hit rock bottom in recent months owing to an acrimonious gas dispute between Moscow and Kiev.

Russia shut off gas supplies to Ukraine and moved its neighbor to a system of prepayment on June 16 after both sides failed to agree on future delivery prices and the size of Kiev's outstanding debts.

Both companies on that same day filed competing lawsuits against each other at the international arbitration court in Stockholm. Gazprom wants the court to force Kiev to cough up \$4.5 billion in unpaid gas bills, while Naftogaz hopes to be awarded \$6 billion in compensation for what it says were overpayments to Gazprom.

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