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Ukraine and Russia Eye EU Proposal for Gas Talks Date

By The Moscow Times

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Employees carry out scheduled maintenance at Oparivske gas underground storage in Lviv, Ukraine.

BRUSSELS — European Energy Commissioner Günther Oettinger has asked Ukraine and Russia to take part in another round of talks to try to solve a gas pricing row on Oct. 21 in Berlin, a Commission official said Thursday.

The European Union's executive hopes to broker a deal to resolve a standoff that has prompted Moscow to shut off gas deliveries to Ukraine over what it says are more than $5 billion in unpaid bills.

The sides have yet to agree on future prices for Russian gas deliveries, with Moscow and Brussels pushing for $385 per thousand cubic meters during the winter, while Kiev has indicated it wants long-term price guarantees.

"This date and place is of course subject to agreement by all three sides," the official, who

asked not to be named, told Reuters of the proposed talks.

Russia's Energy Ministry said it was checking the report. Ukrainian Energy Minister Yuriy Prodan told a news conference he was ready to meet straight away.

"I am ready today — it's a very important question," he said, adding that he may meet Oettinger in Kiev before the three-way talks.

Efforts to reach a deal are complicated by the wider political rift between Kiev and Moscow over Russia's annexation of the Crimea peninsula and the uprising by pro-Russian separatists in eastern Ukraine.

In New York late on Wednesday, the chief executive of Ukraine's gas grid Naftogaz, Andriy Kobolev, told Reuters that he was reluctant to meet when the Russian and Ukrainian positions were still far apart over the EU proposal for an interim agreement.

"Both sides have comments and amendments to the proposal, from what we know the Russian side has some critical comments that we cannot accept," he said.

"We would prefer to meet when at least we have some reconciliation of the comments and positions and at least try to come up with some compromise."

He said the proposed winter price may be realistic but that the proposal had "no such aspect as a summer price, and that means that next summer we are going to have this problem again."

Ukraine, dependent for more than half of its gas needs on Russia, wants to change the conditions of a 2009 contract that locked Kiev into buying a set volume at $485 per 1,000 cubic meters — the highest price paid by any consumer in Europe.

Moscow dropped the price to $268.5 after then-President Viktor Yanukovych turned his back on a trade and association agreement with the European Union last year but reinstated the original price after Yanukovych was ousted in February.

Moscow has halted gas flows to Ukraine three times in the past decade, in 2006, 2009 and since June this year, criticized by some in the West for using energy as a tool of foreign policy to put pressure on its neighbor.

Kobolev said Ukraine needed a commercial deal that cannot be changed in retrospect.

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