

British Gas Prices Hit Record Low After Ukraine and Russia Strike Deal

By [The Moscow Times](#)

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Russian Energy Minister Alexander Novak and European Energy Commissioner Guenther Oettinger (R) leave a joint news conference after gas talks between the European Union, Russia and Ukraine at the European Commission headquarters in Brussels, Oct. 30, 2014.

British wholesale gas prices for the rest of this year fell on Friday after Ukraine and Russia signed a deal which will see Moscow resume supplies of gas over the winter.

Russia is Europe's biggest supplier of gas, providing around a third of the continent's needs, and some of this reaches Britain from European storage sites.

Gazprom estimates it sends around 11 billion-12 billion cubic meters (bcm) to Britain each year, accounting for around 15 percent of total British supplies.

Prices for wholesale natural gas along the curve fell on Friday morning on news of the deal, but had already been declining on Thursday afternoon in anticipation of an agreement.

The British gas contract for delivery in November was trading at 52.20 pence per therm at 0837 GMT, down 1.5 percent from the previous settlement but it had earlier touched 52.00 pence per therm, its lowest level since the contract began trading.

The December contract was trading at 54.60 pence per therm, also down 1.7 percent but touched its lowest ever level of 54.40 pence in earlier trade.

TTF gas prices in the Netherlands, which has become Europe's leading natural gas hub, declined slightly.

The TTF price for December was down almost 1 percent at 23.15 euros per megawatt hour, while the first-quarter price was down 1.35 percent at 23.35 euros per megawatt hour.

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