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Gazprom Cancels Nord Stream Expansion Citing 'Complicated' Politics

By The Moscow Times

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Russia's Gazprom has cancelled a plan to build two more branches of the Nord Stream natural gas pipeline because of the "complicated" political situation, sources at the state-controlled firm said on Wednesday.

"The political situation is currently complicated. We were not allowed access to Opal [gas pipeline in Germany]. Why build two more arms? We are not building them," one source said.

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Nord Stream consists of two pipes with an annual capacity of 55 billion cubic meters, enough to supply around 10 percent of the European Union's annual gas needs.

The construction of two more pipes would have doubled Nord Stream capacity.

Currently Nord Stream is running at around half its capacity because Gazprom is allowed only limited access to the Opal pipeline which runs through Germany to the Czech Republic and connects to Nord Stream.

The Russian company has so far failed to secure greater access, with talks complicated by tensions between the EU and Russia over the Ukraine crisis. In November, the EU pushed back a deadline for deciding on Russian access to Opal until the end of January.

Last year, Russia also scrapped its South Stream pipeline project over disagreements with the EU.

Instead, Gazprom said it planned to build a pipeline across the Black Sea towards Turkey, bypassing Ukraine as a transit route to Europe.

Gazprom was not available for immediate comment.

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