

Ukraine Expects to Sign Russian Gas Deal by April 14

By [The Moscow Times](#)

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Gas pipes are pictured at Oparivske gas underground storage in Lviv region, Ukraine.

Ukraine, locked in a longstanding pricing row with Russia over gas, hopes to sign a memorandum with Moscow on supplies that will run until the end of March 2016, its energy minister said on Wednesday.

Russia and its ex-Soviet neighbor agreed last year on a "winter package" for supplies with a price discount of \$100 per thousand cubic meters and advance payments, but that accord expired on Tuesday and has yet to be replaced.

"A memorandum will be signed for the whole period until the end of the heating season in 2016," Energy Minister Volodymyr Demchyshyn said.

He gave no details on the memorandum, which he expected to be signed by April 14, but said it could include conditions, pricing and volumes of gas.

Moscow and Kiev, which are at loggerheads over a separatist rebellion in east Ukraine, are bound by a 10-year gas agreement signed in 2009 which successive Ukrainian governments say carries an onerous price that weighs heavily on the economy.

European Union members receive the bulk of their gas supplies from Russia via Ukraine and rows in the past between Kiev and Moscow have affected supplies to EU consumers.

Earlier on Wednesday European Commission Vice President Maros Sefcovic said he would broker talks in the middle of April and was hopeful of being able to negotiate more favorable terms for Kiev.

Russia will extend the gas price discount for Ukraine into the second quarter, TASS news agency reported Russian President Vladimir Putin as saying Tuesday, but any further decisions would be taken in three months and depend on the price of oil.

A European Commission official, who asked not to be named, welcomed the report. "It is a good and welcome development to see that the Russian Government intends to extend the price-formula," the official said.

Due to the fall in global energy prices, the discounted price Ukraine pays for Russian gas should now be around \$250 per thousand cubic meters, according to Ukraine's Energy Ministry.

The gas row between Ukraine and Russia has unnerved the European markets, where Gazprom covers a third of gas demand, while around 40 percent of Russian gas supplies to the European Union go via Ukraine.

Demchyshyn said in the past week Ukraine had drawn no more than 10 million cubic meters from reserves, receiving 40-45 mcm in reverse flows from Europe, 55 mcm from its own production and less than 10 mcm from Russia.

He said Ukraine's gas market was "balanced", with 7.7 billion cubic meters in storages.

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