

Ukraine to Create \$1 Billion Energy Fund

By [The Moscow Times](#)

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A man speaks on a mobile phone near the central office of Ukrainian state energy firm Naftogaz in Kiev, Ukraine.

KIEV — Ukraine has ordered state-run energy firm Naftogaz to create a fund worth \$1 billion to finance the purchase, transport and storage of gas, the government said on Monday.

Naftogaz is tasked with creating the fund using agreements with foreign creditors under state guarantees, the government said in a resolution published on Monday.

Ukraine imported about 19.5 billion cubic meters of gas in 2014 — a large chunk of which came from Russia, with whom it has a pricing dispute.

The dispute led Ukraine last week to cut off imports of natural gas from Russia after EU-brokered negotiations on how much Kiev should pay Moscow for its supplies collapsed, and an interim agreement expired.

The issue of Ukraine's gas supplies from Russia has been contentious since relations

bottomed out last year in the wake of Moscow's annexation of Crimea from Kiev.

Naftogaz said it will not buy gas from Russia until a new agreement is reached, and Russia's Gazprom says it will not supply more gas unless cash is paid up front.

The collapse did not impact Russian flows of gas to the EU, roughly half of which is transported to European customers through Ukraine.

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