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Poland's PGNiG Says Talks With Gazprom on Gas Prices Advanced

By The Moscow Times

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Valves and pipelines are pictured at the Gaz-System gas distribution station in Gustorzyn, central Poland.

WARSAW — The chief executive of Poland's state-controlled gas distributor PGNiG said on Wednesday that talks with Russia's Gazprom on imported gas prices were "very advanced."

PGNiG said in May it had filed for arbitration with the Stockholm Arbitration Tribunal in a dispute over the gas price formula with its biggest gas supplier, looking to change the pricing of its long-term contract in the face of falling oil and gas prices.

Much of the gas PGNiG sells in Poland comes from Gazprom.

In the first half of 2015, the company imported 4.05 billion cubic meters (bcm) of gas from Russia. Poland consumes around 16 bcm of gas annually.

PGNiG said in May that seeking arbitration in the dispute did not rule out continued negotiations, which started in November last year.

"I can say that the talks are very advanced," Mariusz Zawisza told reporters.

In 2012, PGNiG and Gazprom reached a price agreement despite an ongoing case in the arbitration court, signing an annex to their long-term gas supplies contract in which Gazprom accepted a change in the gas price formula resulting in a price cut.

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