

Gazprom to Cut Off Makhachkala Over Unpaid Debts

By [The Moscow Times](#)

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Gazprom has threatened to cut the gas supply to Dagestan's capital Makhachkala on Wednesday due to massive unpaid debts accumulated by local energy and heating companies.

Last week the flow of gas to the city was cut by half, Izvestia reported Friday.

Gazprom's regional subsidiary in Pyatigorsk claims that it owed 1.22 billion rubles (\$37 million) by energy companies in Makhachkala and Vladikavkaz, a nearby city in the North Caucasus. Since cutting supplies, only 10 million rubles of the debt have been settled, a Gazprom spokesman said.

Energy companies and local municipal authorities have said that low fixed residential heat tariffs for customers in the region mean that there is simply not enough money to pay the debt.

The reduced gas supply last week forced the closure of 20 large and about 100 small boiler plants across the city, leaving roughly 30,000 people without hot water. If gas supplies cease completely on Aug. 7, over 50,000 more residents will be affected.

Meanwhile, the local office of the Federal Anti-Monopoly Service and Makhachkala's prosecutor's office have filed legal action to declare the Gazprom subsidiary's actions illegal and force it to turn the gas back on.

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