

EU Claims Right to Sell Russian Gas Back to Ukraine

By [The Moscow Times](#)

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EU Energy Commissioner Günther Oettinger on Thursday asserted European companies' right to sell Russian gas back to Ukraine, flying in the face of warnings from Russian energy giant Gazprom as tensions continue to build over energy policy.

Energy companies in the EU have an "absolute right to dispose of gas bought from Gazprom at their discretion, including delivering it in reverse to Ukraine," Oettinger said via his spokeswoman Sabina Berger, ITAR-Tass reported.

Moscow cut off gas supplies to Kiev in mid-June when Ukraine failed to meet a deadline to pay a \$1.95 billion gas debt, despite extensive negotiations leading up to the deadline. Gazprom said Thursday that gas flows to the EU were continuing as normal, Reuters reported.

Gazprom head Alexei Miller said last week that the state-owned gas monopoly could retaliate against European countries if they were to sell its gas back to Ukraine through large-scale

reverse gas flows.

"If we detect a reverse flow on gas-measuring stations in Europe, we may impose restrictions," Miller said, ITAR-Tass reported.

President Vladimir Putin supported Miller's position on Tuesday, although unlike Miller, Putin said that Ukraine was already taking gas intended for the EU. "In essence, [Ukraine] is getting our gas and they are paying one of our Western partners in Europe, who are not receiving these volumes," Putin said.

"We see everything, but are not taking any kind of action at the current moment so as not to aggravate the situation," he added.

Also on Thursday, Ukrainian gas company Naftogaz announced that 20 European companies, including the EU's largest gas traders, had bid to sell gas to Ukraine via Slovakia via so-called reverse flow.

"The extensive Ukrainian market is very interesting for Europeans," Naftogaz head Andrei Kobolev said, Prime reported.

In late April, Ukraine and Slovakia signed a reverse flow agreement that would make use of an old, unused pipeline to begin exporting 2 billion cubic meters, or bcm, to Kiev in October. Exports to Ukraine along this pipeline would rise to 8 bcm by early 2015.

Ukrainian energy officials have since proposed a plan to the EU Commission that would allow Ukraine to increase reverse flows via Slovakia to 30 bcm, Kommersant reported.

According to a UralSib report published Thursday, Gazprom would lose nearly \$3 billion in 2016 if the EU accepted the proposal and began selling Russian gas back to Ukraine. The company would end up selling more gas to the EU — where prices range from \$360 to \$380 per thousand cubic meters and gas is subject to a 30 percent export duty — instead of Ukraine, where the price was previously set at \$385 per thousand cubic meters, there is no export duty and transportation costs are lower.

See also:

[EU Pushes for Restart of Russia-Ukraine Gas Negotiations](#)

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