

Ukraine Has Saved \$500 Million On Reverse Gas Supplies From EU

By [The Moscow Times](#)

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An employee stands near gas pipes at Oparivske gas underground storage in Lviv region Sept. 30.

Ukraine has saved \$500 million by buying gas from Europe instead of Russia, which cut supplies to Kiev earlier this year as part of an acrimonious price dispute, a Ukrainian minister said Friday.

In an interview with Ukrainian TV station Telekanal24, Cabinet Minister Ostep Semerak also said Kiev could rely on "signed agreements for reverse gas supplies" from Europe to see the country through winter if Russia does not renew deliveries.

Also on Friday, Ukraine's gas transit authority, Ukrtransgas, said in a statement that as of Oct. 1, the country's underground storage facilities were half full, and now contain 16.7 billion cubic meters of gas.

Ukraine needs 18 billion cubic meters of gas to last through the winter, Alexei Miller, head

of Russia's state-controlled gas export monopoly Gazprom, said last month.

Gazprom halted gas flows to Ukraine in June, claiming Kiev owed \$5.3 billion for already delivered gas. Ukraine disputes that figure, saying the company is applying an inflated price.

Several rounds of EU-mediated talks have attempted to solve the dispute. Gazprom is offering Kiev gas at \$385 per 1,000 cubic meters, which is what Europe pays on average. It also demands that Ukraine make two debt repayments — \$2 billion before the gas flows restart and \$1.1 billion by the end of this year. Ukraine has been reluctant to agree both on the price, which was said should equal to European spot gas prices (currently traded around \$313 per 1,000 cubic meters but highly volatile), nor to the debt payment terms. No agreement has been reached.

The first reverse supplies — so named because they go against the usual westward flow of Russian gas — were delivered to Ukraine by German energy company RWE in April. Slovakia's Eustream began deliveries at the start of September.

Gazprom appears to be unhappy with this interference — a number of Eastern European countries, including Slovakia, have begun to complain of sporadic shortages in gas supplies from Russia.

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