
With Winter Approaching, Georgia's Natural Gas Supply Still Unsure

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During the summer, Georgia's natural gas needs are met with Azerbaijani supplies and tariffs from Russian gas in transit to Armenia. In winter, however, demand naturally spikes as residents turn on the heating.

Winter heating crises are becoming routine for Georgia, and the government is still trying to find any source of natural gas that isn't Russian.

Russia's Gazprom raised prices on Georgia last winter from USD 110 per thousand cubic meters to USD 235.

As of this spring, Georgia imports daily 1.3 million cubic meters of natural gas from Azerbaijan's state gas company for USD 120 per thousand cubic meters, and 1 million cubic meters of Shah Deniz gas at USD 63 per thousand cubic meters as part of the Baku-Tbilisi-Erzurum (BTE) gas pipeline deal.

According to the newspaper Rezonansi, Georgia also gets ten percent-about 700 000 cubic meters a day-of the Russian gas shipped to Armenia via the North-South pipeline as a transit tariff.

That won't be enough for winter. The government has maintained that winter needs can be met with more natural gas from Azerbaijan's Shah Deniz field, which is sent westwards through the BTE pipeline.

Negotiations to obtain 800 million cubic meters of natural gas from the Turkish quota failed, however.

Greece walked away with the buying rights for part of the Turkish natural gas quota, paying USD 149 per thousand cubic meters.

Some analysts criticized the Georgian delegation for not securing a deal and pointed out that the obvious alternative supplier, Russia's Gazprom, charges USD 235 per thousand cubic meters. A more attractive offer than that proposed by Greece could have sealed the deal for Georgia, they said.

Without securing the Turkish deal, the math will likely require some Russian supply to add up to winter consumption rates.

KazTransGaz-the parent company of Tbilisi distributor TbilGazi-has stated it will not refuse to use Russian as a supplier. Company officials, however, have floated the possibility of instead turning to Iran
