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# Ukraine PM urges check of intermediaries in gas deals with Russia

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Ukrainian Prime Minister Yulia Tymoshenko said on Monday she would press for an independent audit of intermediary companies involved in Ukrainian-Russian natural gas deals.

The statement came as Russian and Ukrainian energy companies were meeting in Moscow in a last-minute attempt to resolve a \$1.5 billion gas debt row that has prompted Gazprom to threaten a cutoff of supplies as from Tuesday.

"We will ask for international assistance, for an official group that can check the reliability and stability of the transit of gas to the European Union," Tymoshenko said. "We are asking today for joint monitoring of the financial flows of RosUkrEnergo and UkrGazEnergo beyond Ukraine's borders."

The current supply scheme was agreed on between Russia and Ukraine, which transits 80% of the gas Russia supplies to Europe, following a bitter pricing row at the start of 2006, when Gazprom briefly cut off supplies to the ex-Soviet state, affecting exports to Europe.

Tymoshenko said Ukraine had to request international assistance as it was unable to resolve gas disputes with Russia on its own.

President Viktor Yushchenko said last week Russia's debt demands were a response to Kiev's plans to raise transit fees and remove intermediaries in gas deals.

Ukraine's national oil and gas company Naftogaz denied on Friday it had any debts to Russia, and Tymoshenko blamed RosUkrEnergo - the sole supplier of gas to Ukraine which is co-owned by Gazprom and Ukrainian businessmen - for the debt.

Speaking at a news conference, Tymoshenko said she would also seek the president's support in removing UkrGazEnergo, a joint venture between RosUkrEnergo and Naftogaz, which buys gas from the former, from the country's gas market. The premier earlier insisted that RosUkrEnergy should be removed as well.

Tymoshenko also said she would insist the price for Russian gas supplies be returned to \$179.5 per 1,000 cubic meters for January-February, adding that new supply conditions could be discussed during her visit to Moscow on February 21.

"We insist on a contract for natural gas supplies for January-February at the earlier agreed price of \$179.5," she said.

Gazprom and Ukraine agreed in December that a mixture of Russian and cheaper Turkmen gas sold via RosUkrEnergo would cost \$179.5 in 2008. The trader said later it would sell Russian gas to Ukraine in January-March for \$314 to cover a shortfall in Central Asian supplies.

An EU executive authority spokesman, Ferran Terradelas, said later on Monday that the European Union would not interfere in a natural gas dispute unfolding between Russia and Ukraine as the European Commission does not interfere in commercial disputes between non-EU countries.

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