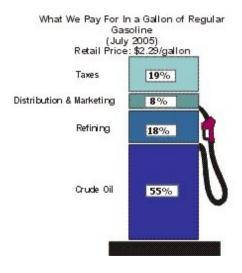


The price of a gallon of gas

Posted by Heading Out on September 1, 2005 - 8:10pm

Topic: Demand/Consumption



As the price of gas starts to move upward, many people wonder where the money goes, this picture is from the EIA.

For the last two days I have been on a trip, and talked with people about, among other things, energy. Away from the South there seems still to be some disconnect from the reality of Hurricane Katrina. Despite the increasing amounts of ink that the MSM are starting to devote to this tragedy, those in Washington and New York as well as many intermediate stations to New Orleans may not know where their gas comes from. The CNN story has a map as well as a story about the Plantation pipeline that carries 26 million gallons of gasoline to Washington, and the Colonial pipeline that carries 100 million gallons up to New York, it does also have a map showing the route.

"We'll be delivering what's in the lines as soon as we have the power back on, "Baker said. The firm would be able to pump fuels from refineries in Texas, he said, even if refineries shut down by the storm along the Gulf Coast remain off line.

The shutdown of Colonial's pipelines and one operated by Plantation Pipeline, based in Atlanta, means key terminals and distribution centers along the eastern seaboard, including near Greensboro, N.C., and in Doraville, Ga., are not being replenished with refined fuels. It's not clear how much gasoline and diesel those distribution centers have on hand. Baker said the terminals usually keep more than a week's supply.

However if you look at the map this does not cover South Florida, which is normally supplied by tanker. As <u>USAToday</u> noted there is a growing shortage down there. I also heard today, as I flew

back here, that planes, going to some airports down there, were having to fly their own fuel with them for the return trip, since refueling at some airports was no longer possible. Tankers can bring fuel from Houston and other refinery points, but since that was already spoken for, it is likely that some way of dividing the supply may be required.

That, of course, means less supply and much higher prices.

Technorati Tags: peak oil, oil, Katrina, Hurricane Katrina, gas prices

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