



Well none of this is particularly good news!

Posted by [Heading Out](#) on December 6, 2005 - 1:59am

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Tags: [cold weather](#), [demand](#), [pipelines](#) [[list all tags](#)]

Well the winter is not starting off all that well. Already the [OGJ](#) reports that the below normal temperatures already being felt in the eastern two-thirds of the country will, according to the National Weather Service, continue for this month. The result is anticipated to be an 18% increase in the demand for heating oil through this week. (From a base of around 4 mbd according to the [EIA](#)).

It is the relative immediacy of shortfalls, whether this year, or in the next two, that will start to test the true international collaboration on energy supplies, and for how long oil and gas will remain fungible. It is well and good to drill wells in [Kazakhstan](#) but without the pipelines to get the oil to a friendly port, the availability of the oil discovered will remain in question.

The recent experience where the UK had problems getting gas from Russia, because of German interests, is an early indicator of possible future problems for many countries. And the newly announced [Baltic Sea pipeline](#) from Russia to Germany, but bypassing Poland Latvia, Estonia and Lithuania, is already raising similar concerns. (Note that the oil will be priced in [euros](#)). The increasingly restrictive political aspect of transportation is likely to be particularly true in the regions around the Caspian. And the British Government are "encouraging" development by [raising taxes](#).

Yep, I knew this was a Monday.



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